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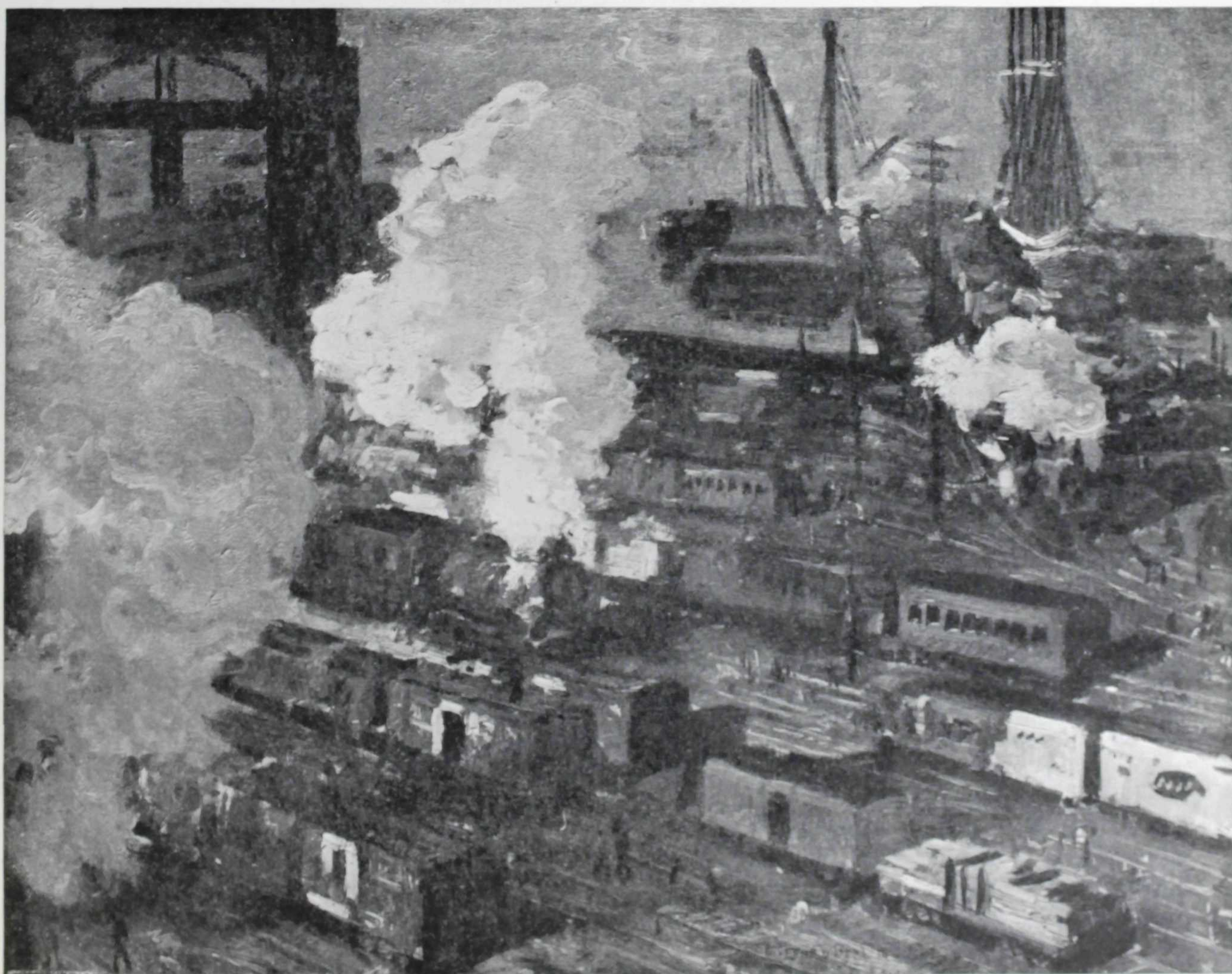


Photo by Juley

"The Freight Yards," by Gifford Beal—from this year's New York "Academy."

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THE NATION'S BUSINESS

A MONTHLY MAGAZINE FOR BUSINESS MEN

*Published by the Chamber of Commerce of the United States of America,
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WASHINGTON, AUGUST, 1916

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THE NATION'S BUSINESS



VOLUME FOUR

A Magazine for Business Men

WASHINGTON, AUGUST, 1916

NUMBER EIGHT



Waste: A Little Fox that Destroys the Vines

An Authorized Interview with the Honorable William C. Redfield,
Secretary of Commerce of the United States

WE are, as a people, the Wasters of the World and are the Prodigal Son among the Nations. We save enormously every year, but waste more than we save. It seems to be in our national temperament almost to rejoice in the prodigality with which we expend our resources or in the happy carelessness with which we allow them to go unused.

Nor do we confine our waste to material things. We waste life as no others do. The annual toll of those killed and wounded in the streets of New York, would dim the records of many a sanguinary battle-field. Many a life is wasted because the body goes on living, toiling away at some task for which it is not fitted or for which it has not been adapted by our lack of vocational training. What a waste in the half-million physical lives that are lost among us each year by preventable diseases!

TO be or not to be" was not more puzzling to the melancholy Dane than is "how meet competition after the war" to a forward-looking American business man. There are many answers. Making the mouse trap a little better and with a little less effort, is one answer and a good one, including as it does scientific operation, technically trained workers, a full share of cooperation between head-worker and hand-worker, and legitimate combination for foreign trade.

But there is another answer and in it may be found a four or five per cent profit—that consummation devoutly to be wished by all business—the dividend. It is the utilization of by-products, the elimination of waste. Tap any business man on the shoulder and he will tell you that European nations are ahead of the United States when it comes to utilizing the waste products of their industries. This is due to many causes. The underlying, the prime cause, is human nature. As the individual, so the nation. Given a vast country with wonderful natural resources, a people does not feel the need of economy. Crowded Europe, however, depleting natural resources through the centuries, has been obliged to cut the corners in order to survive.

The first short cut, and the one that business in America has only lately discerned, was the development of an elaborate system of technical education. Europe saw that this was necessary if she intended to maintain and broaden her foreign markets and continue the extension and development of her national life. As a result, Germany and her European neighbors have directly connected with their industries a great many more technical men than can be found in an equal number of our manufacturing plants.

These economic and social engineers it was who developed the profitable system of pulling a dividend out of the scrap heap.

It is difficult to point out any one industry in which our foreign competitors are not utilizing waste to the *nth* degree. For example: The average American business man if he were making catsup would be satisfied to get money for ninety per cent of his raw product. But does this satisfy the European? Not so. Consider the tomato canners of Italy who supply that commodity to almost all of Europe. The case is typical of the whole European system.

To turn a liability into an asset was a problem which confronted the Italian growers in 1908. In the Parma district and later in the Naples district in the south, they experimented and found they could use the waste skins of the tomatoes by manufacturing from them a cattle and horse feed. They then expressed an oil from the seeds, which was excellent for illuminating purposes in lamps, and, by refining it, found that it was suitable for the table.

A number of tomato canning establishments located near one another erected a drying plant, and here the waste skins and seeds were brought from the various factories. Experiments were carried on for two years until a successful drying apparatus was found. The percentage of waste in Italian tomatoes ranges from three to five per cent in weight. This waste was represented by the skins and seeds. The Italians sell the stock food from the seeds for fifty-three cents a hundred pounds. The crude oil sells for \$7.00 a hundred pounds, and the refined oil sells for \$8.75. This is a double saving as before they were obliged to pay to have the waste hauled away. In 1913, according to a statement of manufacturers of tomato seed oil in Milan, approximately 125 metric tons of oil and 1,000 metric tons of feed were manufactured from what had heretofore been waste. Not content with getting 20 per cent of oil by means of a hydraulic press, the Italian canners went on experimenting until by use of solutions they could get 22 per cent oil.

And the residue of the seeds was not thrown away. It was reground in revolving mills and made into cattle feed.

Another instance comes to mind. Witness the tons of "waste" from Germany in the *Deutschland* at Baltimore harbor last month. This "waste" is worth a

tidy sum to America. One of the most glaring instances of our neglect of waste utilization is found in our great coal and coke industry. Year after year its by-products have been thrown away, while Germany's wonderful dyestuff industry has been built almost entirely on this waste. The aniline dyes and explosives are manufactured from benzol and other by-products of the coke ovens. We have only lately begun making the basic material for these aniline dyes. This is

THE German has applied science to business as no other nation has ever done, and he has added to science and research the equally important fact of organization.

The Englishman has brought to his business a certain peculiar type of bulldog courage, backed by the largest amount of free capital the world has ever seen gathered in the hands of any one people, and he has sold all round the world to industries and customers kindred to himself as no other people has ever been able to do.

We have lacked the science; we have lacked the organization; we have lacked the free capital.

largely because our men have not received the highly technical training accorded those in Europe.

Slag,—always a liability in the eyes of the American manufacturer—is in Europe the body material for concrete and, granulated, is used for making building-blocks, bricks and tiles, and for the manufacture of cement. The Europeans also use slag to a lesser extent as a raw material in glass-making and in the production of artificial marble and artificial pumice-stone.

In America, slag is given to the railroads who haul it away under protest and use it for track ballast.

Because of the shortage of potash, the English are extracting potash from banana stalks. A consular report says that the dried matter of the original stalk is as rich in potash as kainite. It is estimated that a ton of banana stalks will yield 188 pounds of dried matter containing 13.7 per cent of potash, or twenty-five pounds of pure potash. In the past the United States has paid tribute to Germany to the extent of \$20,000,000 a year for potash. At present, potash is bringing \$300 a ton in this country. A cement company last year, with potash at war-time prices, sold \$100,000 worth, and it is said that the profit was \$80,000.

For many years German manufacturers have been making kraft wrapping paper from wood waste. Most of the American lumber mills have paid dearly to have this waste burned—an expense—whereas the Germans

have put this waste in the profit column. Some kraft paper is being manufactured from Southern pine in this country, and experiments are being carried on in other mills—since the war.

In this connection it is significant that Sweden and Norway maintain their place in the paper industry by using only the scraps. No timber from which a "four-by-four" can be cut is allowed to go to the pulp vat. In America, the reverse is the rule.

European nations generally have always made their wood waste return a profit through numerous by-products, the more important of which are alcohol, turpentine, tar, and pitch.

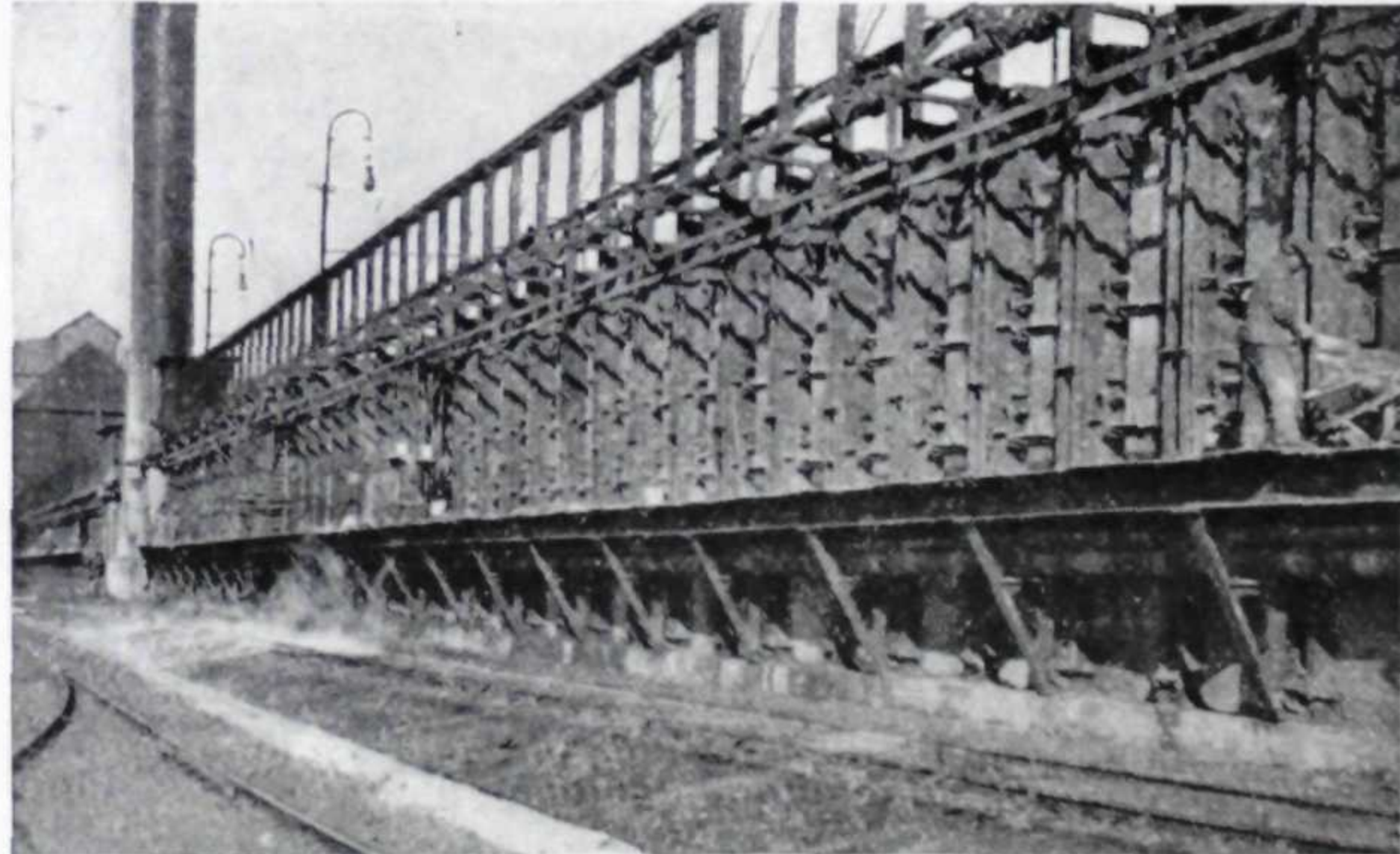
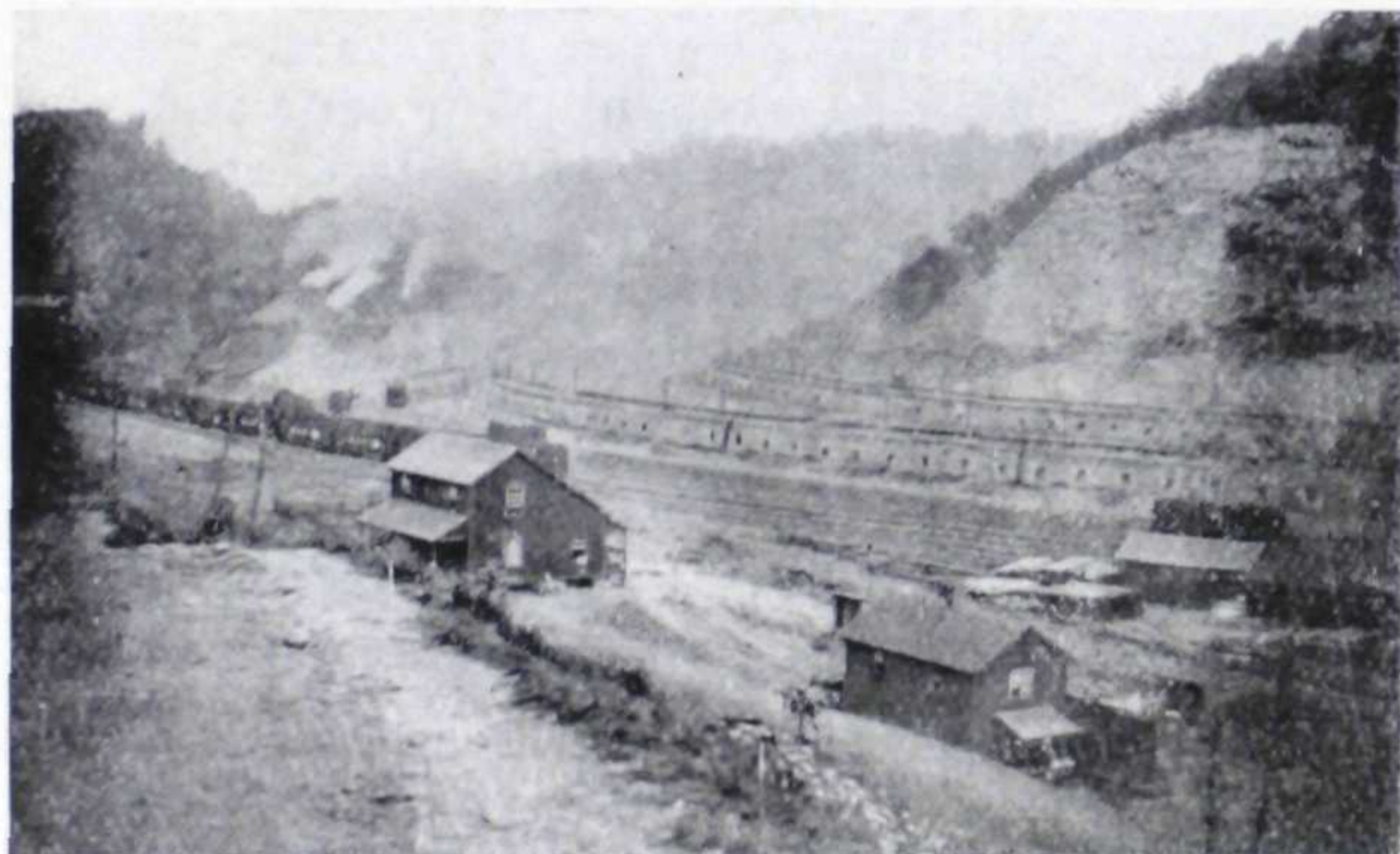
Foreign manufacturers for many years have saved their waste paper and rags. Only recently, and then only after the Department of Commerce had forcibly called their attention to the impending shortage, did the United States manufacturers undertake to bring about this saving. And now that the first enthusiasm is over, it seems from reports that not nearly as much waste paper is being saved as was done immediately following the Department's announcement.

Endless opportunities present themselves in our factories as well as in our natural resources for this

BUT I want to come back now into the German factory and go through it with you, if you please, and look at the men at the benches. I am, of course, speaking of normal times. These men are trained men. They know the what and the why of the work they have to do. Look into the organization of the schools of Germany and you will find the school system devoted to training—what? Training whom? The artisan at the benches in the factories.

We are competing with specialists not at the top, but also at the bottom, and all through when we are attempting to compete with the best of German industry.

utilization of waste. Inadequate machinery in hosiery and other mills, and the failure to keep it in condition, brings about waste in the production of "seconds." Manufacturing losses result. This accounts for the excessive and keen competition, both foreign and domestic, of which so much is heard. The manufacturer using an old type of machine, unable to sell in normal competition with the product of improved machines, is handicapped. Add to this the economies the foreign competitor extracts from his waste and we have competition of the cut-throat kind. Make-shift methods are still used by our manufacturers who do not realize



The Old-time Wasteful Bee-Hive Coke Ovens, and the Modern Ovens, Which Conserve Valuable By-Products Hitherto Lost

that in a plant which is not properly laid out or which is equipped with antiquated machinery the overhead cost is increased and production limited. All of which spells waste.

It must not be thought that American manufacturers are not utilizing some of the waste from their products. In many cases the incentive has come from behind.



Only the Corn Has Been Gathered—The Forage is Left to Decay

Appalled at the cost of disposing of waste, the manufacturer has looked around for a means of using it. There are instances of this sort where ultimately the by-products wagged the dog. The meat-packing industry naturally comes to mind. It would be laughable, if it were not in its larger aspects so tragic, to recount the experience of a large copper company. A recent court decision compelled the company to install methods for saving sulphuric acid fumes which were denuding the surrounding country of vegetation and destroying the lands of nearby farmers. As an outcome of this litigation, that particular company is now making large profits by utilizing the sulphuric acid waste.

European countries have been for years installing such methods, not to comply with the law, but as

A GAINST that let us place a sad picture presented by certain great American industries. For example, in one large establishment employing some 24,000 hands—and observe the use of the word "hands," so different from minds. What a confession of our own inaptitude when we speak of our employees as "hands," and how different the outlook would be if we spoke of employing so many "minds!" In this great establishment with 24,000 human souls employed, in one year there passed through the mills about 59,000 souls. Is there a sadder spectacle than that of the incompetent ones who enter your establishment, fail and go out at the backdoor?

economic assets—as dividend payers. A plant has recently been erected in Maine for extracting oil from herring waste and making dried fish scrap from the residue. The company is turning out about 750 barrels of oil and 300 tons of fish scrap a year. The waste has never before been utilized and now a special factory has been erected greatly increasing the profit in the fish trade.

Not only are individuals and industries awakening to the necessity of utilizing the squeal of the pig, but American cities are coming to be less wasteful. The city of New York formerly paid \$200,000 a year for removing rubbish. In 1911 a contractor gave it \$90,000

a year for the privilege of picking over this rubbish and in addition the contractor removes the material and performs all the labor necessary to trim the scows.

In 1,000 carloads of rubbish an analysis showed 9 tons of tin cans, 30 tons of paper, 16 tons of rags, 9,600 bottles, 47 barrels of broken glass, 3,000 empty barrels, 9 tons of old iron and 1,700 tons of rubber and miscellaneous metals, all of value, yet for years dropped into the deep, deep sea.

For the paper stock there is a steady demand; tin cans are de-soldered for the reclamation of the solder and the metal is rolled into sheets from which are punched button-backs; bottles and broken glass are broken up and used in making artificial stone and tile; while empty barrels are sold to commission merchants for use in distributing vegetables.

Again, the garbage contractor for the city of New York today pays the city \$900,000 for a five year period for the city garbage. This just about pays for the collection of the city's garbage and the contractor must get not only \$900,000 out of the garbage, but must make an additional \$1,500,000 during the five years in order to get back the cost of his plant. It is safe to say he gets \$2,500,000 of grease and fertilizer from what was formerly the waste of a great city.

It is estimated that the city sweepings of New York are worth \$1,350,000 a year, at \$2.00 a ton for fertilizer.

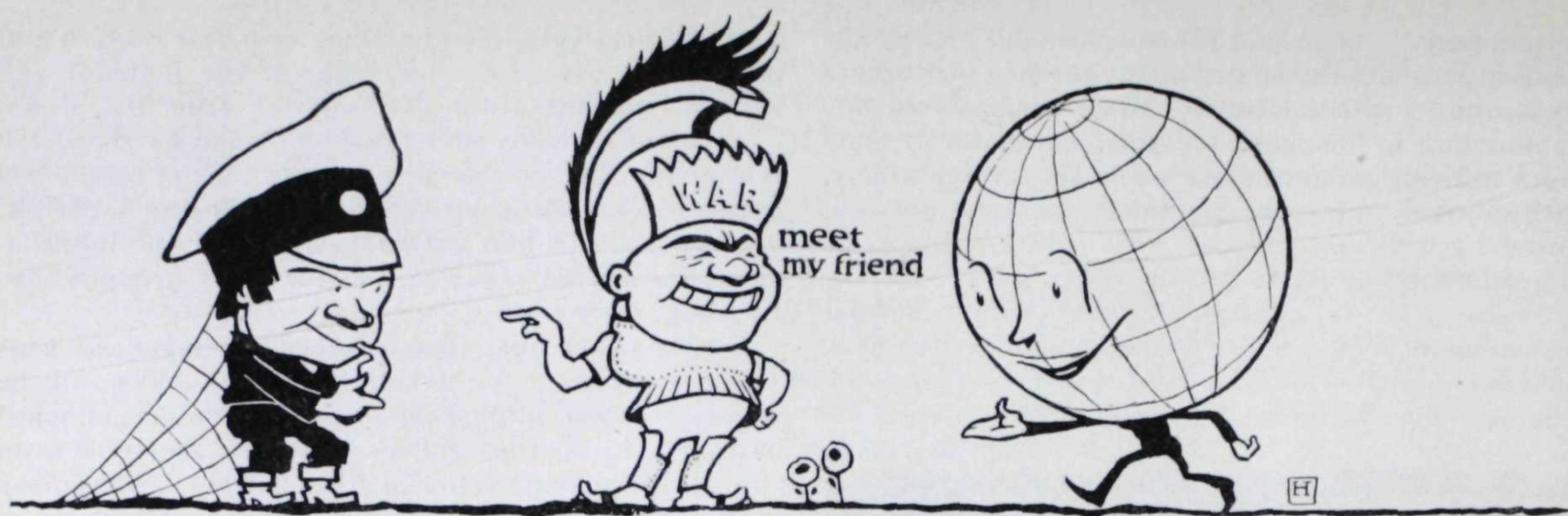
Because the city of Washington realized there was in its dump \$40,000, it cut down its cost of garbage collection from \$68,000 to \$28,000.

American business must learn to make use of its waste. It is difficult to foretell what effect the European conflict will have on wages of labor both in Europe and in this country. This in itself will make the necessity of producing by-products important, especially if, in view of history, American wages continue higher than those paid in Europe.

Much is said about industrial preparedness. It should begin at home. Each business man, if he is true to himself and to his country, will see to it that when this country faces new industrial conditions at the close of the war, he will be prepared to meet them. His waste, both economic and social, will be at a minimum; his by-products at a maximum. This will enable us to meet more successfully the avalanche of foreign competition, with its attendant "dumping" demoralization, and its price cutting, that is likely to follow the close of the European war.



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Introducing Russia to the H. C. of L.

Frank W. Blackmar, Sociologist, and Dean of the University of Kansas Graduate School, Applies a Well-known Trait of Human Nature to a Nation

WHEN John visited his Cousin Jim in the county seat and saw for the first time a suit of store clothes, he pestered his father and refused to be comforted until a store suit was bought for him. Likewise, when Jim, of the county seat visited Cousin Richard in the city and saw for the first time running water in the house, he pestered his father until a bath-tub was installed.

And so on *ad infinitum* when one stops to think of it. New sights, new experiences, come to each John and Jim and Richard daily and stimulate new and latent desires and arouse new ambitions.

Irving Bacheller, querulous, called it "Keeping up with Lizzie."

Sociologists call it raising the standard of living.

Here is the spectacle of a nation of 170,000,000 souls, sheltered Ivans and Peters and Nicholases, most of whom had never before been twenty versts from home, suddenly by a mighty social upheaval sent visiting through strange countries a thousand miles away.

It might be called the story of a nation whose standard of living has been raised overnight by war.—Editor.

IT is difficult to determine with any scientific precision the results of the European war on the various nations engaged in it. Whatever conjecture one makes he must observe the rules of prophecy, assuming scientific precision. Even then he must know that the science of humanity is the science of probabilities, and all that one could hope for in his determination of future results, would be a high degree of probability as to what is to occur. Social laws are sufficiently reliable to enable a fairly accurate prophecy of the results of war in Russia, after a careful study of the trend of national and social development. Pacifists might assume that the awakening of Russia might have better been brought about in some other way than through war. Nevertheless, the changes that are going on in Russia through the processes of war, are matters of fact, and thus what will occur after the war, may be established with a reasonable degree of accuracy.

Russia has suffered in the past from heterogeneous populations with primitive economic and social conditions, existing largely from the neighborhood idea with little national consciousness. This lack of unity and national feeling, coupled with ignorance, superstition, and degradation through strong drink, have been the retarding forces of Russia. So far as the government

and national life is concerned, it must be remembered that Russia was late in its development. Other European nations such as France, some of the states of Germany, and England preceded Russia a number of centuries in the normal and logical development of national life. The awakening of Russia today, is therefore but a process of social evolution, emphasized and accelerated by the war.

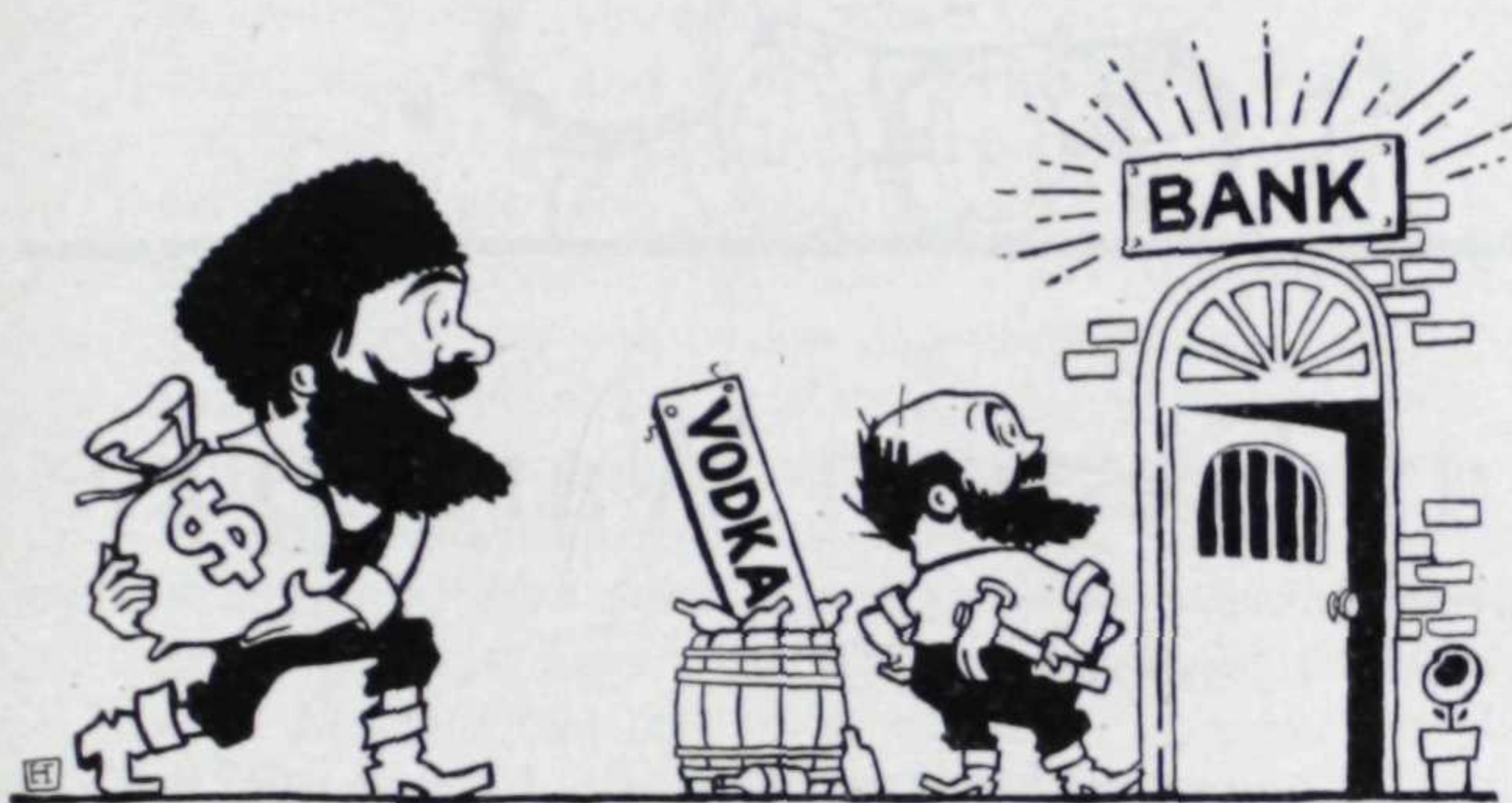
In 1906, only ten years ago, Russia started on the new era of constitutional government. The government was uncertain, and the practice for ten years when viewed by the pessimists has not been satisfactory. Nevertheless, one who looks over the relation of human progress to the sweep of the ages, can see what a tremendous epoch-making event this was. There has grown up within ten years, an increased feeling of national consciousness, and at least a partial realization of the people that they are a part of the state and may have a voice in its control. The introduction of universal primary education in 1907 marks a more important step in progress for Russia than the establishment of the Duma, although the two go together, hand in hand. There has been a constant increase in the demand for education, and the growth of the public school system has been rapid since that time. The edict of the Czar forbidding the use of vodka during the period of the war produced such striking results, that the Duma, representing the will of the people, has made this permanent.

Already, therefore, we have established, first, the awakening of a desire on the part of the people to take part in the government, and the opportunity already furnished for this, through the success of the Duma; second, the increased desire for elementary education, and the larger opportunity for the same; and third, the checking of the wasteful expenditure on vodka, leaving larger amounts of money to be spent on other things. They make a firm foundation for conjecture as to the trend of Russian life after the close of the war.

Contact of the Russian peasants with the outside world will create within them, increased desires for material objects of comfort. This is the first step of economic and social progress. These increased desires will be met by a larger expenditure of money, which by

the abolition of vodka is made possible, and also by the increased income resulting from the modern methods of manufacture and agriculture. All economic production is traced back to this desire of human beings for material objects of wealth. Secondary to it, are those activities which spring from the spiritual side of man's nature, that accompany religion, aesthetics and art. Hence, to quicken desires for goods will increase their production, and essentially their consumption. These develop national wealth, not only by having goods to use as necessities and comforts, but also by the added power to human effort in the production, distribution and use of goods.

In the history of other wars, many nations have been aroused by the introduction of new goods, but more particularly by new ideas and new desires from coming into contact with other nations. For the race or nation,



like the individual, though it grows by inherent powers, is aroused to activity by outside suggestion. Prisoners of Russia who have come into contact with a different German civilization cannot escape its influence after they return to their native land, and this influence will be extended to other families and other communities. Also, the German efficient economic and social organization, which is one of the marvels of the German life, should help to give Russia a tremendous quickening influence. Instead of going along in the old way, the Russian peasant will come to be disengaged from his time honored customs and superstitions, and left with more freedom to choose for a larger life.

The Russian soldiers in France, as well as the Russian prisoners in Germany, will carry back to the fatherland, methods of life and desires for the means that make this life possible. New machinery in agriculture, better arrangements of home life, the larger use of power machinery in the gasoline engine and the automobile, and in fact, desires for all of the material goods which add to comfort, prosperity and even luxury, will be among the results of the war. The stolid, phlegmatic, non-progressive character of the Russian peasant will be quickened into a new life.

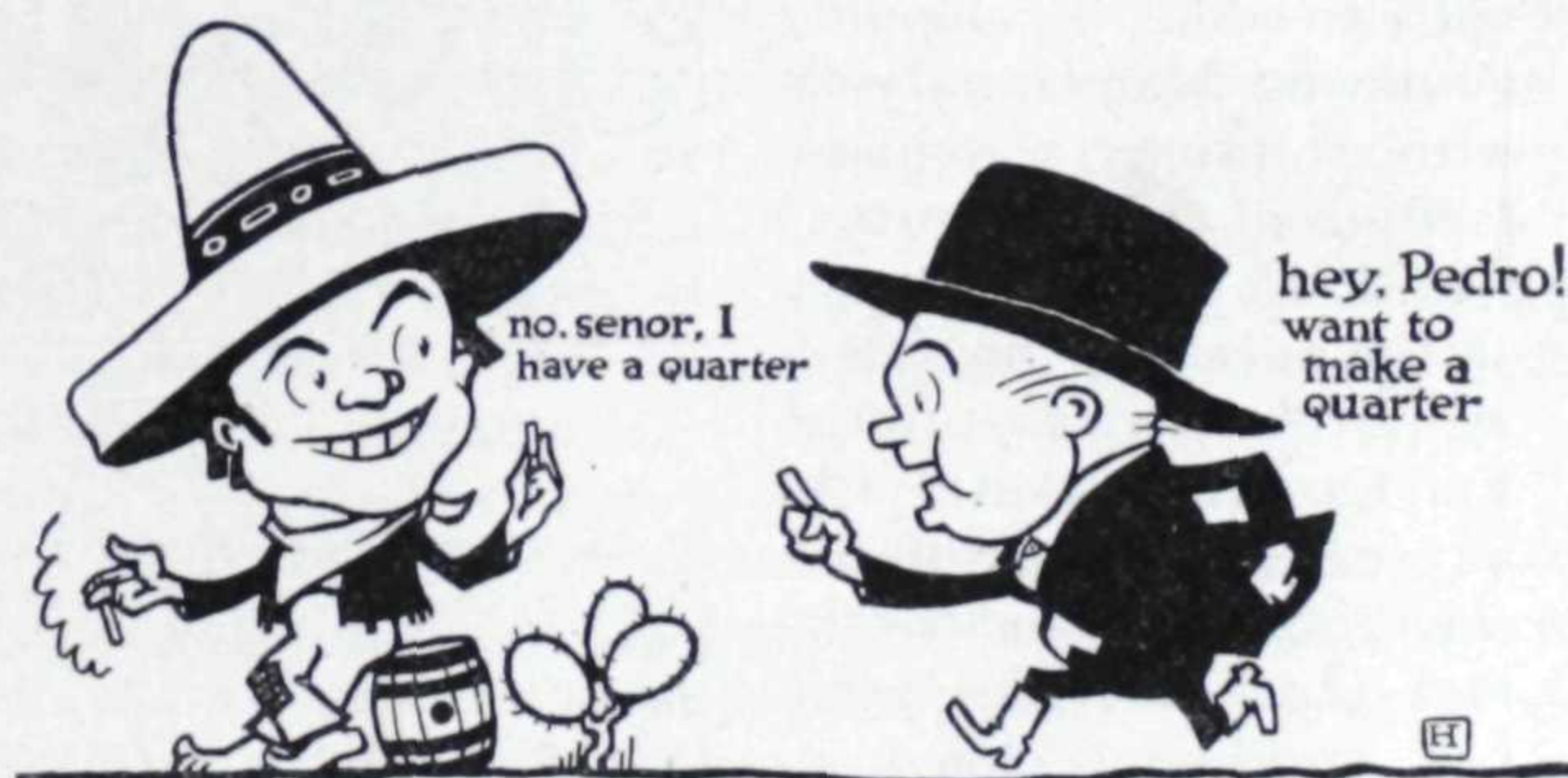
The labor power of Russia, so far as effective work is concerned, will be increased fifty per cent through intelligent application of modern machinery. The consumption of goods will eventually double, which will call for enlarged and increased manufactures at home, and the extension of trade abroad. This will quicken the economic and political pulse of the nation and gradually transform Russia. The war then, will have the effect of a mutation in social evolution. It will make a jump

forward for Russia in political, social and economic progress.

Such a mutation came to Germany after the Franco-Prussian war. The development of the national consciousness, the increased efficiency of economic and social service, the encouragement of manufactures by the use of protective tariff and subsidies, and the enormous government aid to the expansion of foreign commerce, were results of the changes brought about on account of the war. Many other examples might be cited regarding mutations of progress caused by the great social cataclysms of war, but progress is based primarily on whether people are aroused to want things, and are willing to work to get them. There are signs in Russia now of these important steps in progress.

The Crusades led to an exchange of ideas and the utility of the products of the Orient in the crude and less developed nations of the Occident. The advent of William the Conqueror in England brought the customs and culture of France to England. The Napoleonic wars brought a general exchange of the products of civilization throughout the western world. In fact all wars lead to an exchange of ideas, methods of living and of economic goods.

No doubt that a war with Mexico today would be of tremendous importance to Mexico, from the view that it would reconstruct the entire dilapidated system based on peonage, ignorance, superstition and exploitation. It is related as a well known fact that if, on a sugar plantation in Mexico, a peon should be paid 25 cents a day or \$1.50 a week for labor, he would remain a perpetual worker. But should his employer consider his wages were not high enough, and should raise them to \$1.50 a day, the peon would work Monday, and not appear again until the next Monday. This is based on the fact that his life is so ordered by custom with no desire for change, that he refuses to use his opportunities.



In other words, the 25 cents a day will just keep him in tortillas, frijoles, cigarettes and pulque and give him a spot in which to sleep. Having no desire for anything more, he refuses to work more than is necessary to obtain these. Mexico will never be redeemed until there is developed, through education, desires for economic goods and industrial organization, which make it possible to acquire them and use them to advance civilization.

This is not an argument for war as a means of civilization, for all the good results of war could be accomplished in a larger and better way without the enormous sacrifices of blood and treasure, if nations would plan to do so. War is the result of the crude attempt of nations and peoples to live together harmoniously and

justly. It is a brutal acknowledgment of failure. But out of the horrors of war one may take a grain of comfort that the products of civilization of the advanced nations will be disseminated over the world. It is to be hoped that not only Russia, but other nations may derive some profit from the war in the observation that it will

settle nothing, that it is futile and valueless in gaining its immediate purpose, but the by-products of war will give a quickening desire for a better humanity and the establishment of a universal desire for constitutional rights and privileges, and a more honorable and righteous treatment of nations by each other.



Manila, Uncle Sam's Far Eastern Warehouse

By JEFFERSON JONES

Formerly of the Editorial Staff of the Japan Advertiser

THERE is a Malay word in universal use throughout the Far East called "go-down." In English, it means "warehouse." You will find go-downs at Osaka, at Kobe, at Hongkong, and at Singapore, but with the exception of the big Government army and navy warehouses along the Pasig River, together with several small shipping go-downs, Manila today is without proper warehouse facilities. It may be that "go-down" is the answer to the question "how shall we put America first in the Far Eastern market?" At any rate, it is worth consideration in the face of the fact that American trade has steadily declined in China during the last ten years.

American merchants sold more goods to China last year by \$10,165,769 than they did five years ago. In 1905 our total imports into China amounted to \$27,884,518; in 1910, \$29,990,370; and in 1915, \$40,156,139, reaching the highest mark in the trade relations between the two countries.

So far, so good. But when we consider what other nations have accomplished during the same period, the foregoing figures are not quite so satisfactory. While America's trade in China has increased, the trade of other nations with China has increased at a far greater rate. American merchants who controlled 14.9 per cent

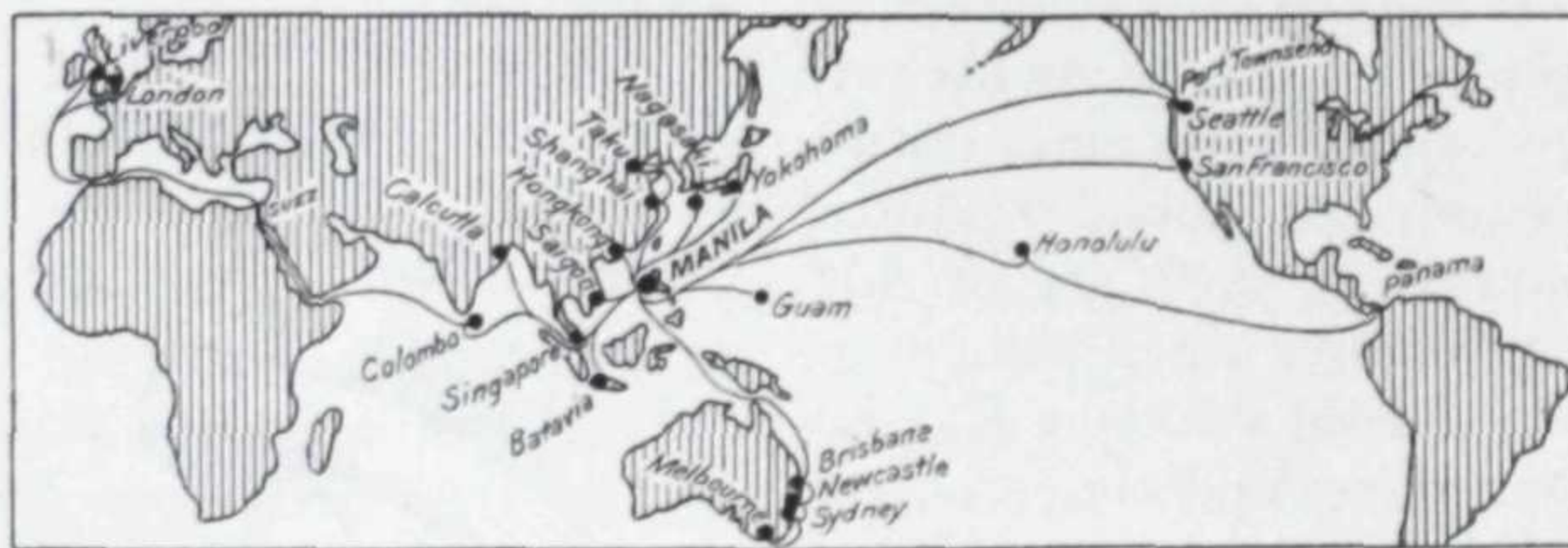
of the total foreign trade of China in 1905, are scarcely able today to hold 9 per cent. Where ten years ago each Chinese user of foreign goods was spending fifteen cents with an American manufacturer, today he is only spending nine cents.

And the American, once China's second best merchant, is now a poor third.

And this decline has been made in the face of an increasing friendship and a mutuality of interests between China and the United States, thus making the problem a serious one to the merchant bent on business in the Far East. In examining trade statistics of the Orient it has been too easy for him to draw the conclusion that our inability to reap a fair share of the Chinese trade is due to the nearness of other nations to the Asiatic mar-

kets. The American merchant has seen how Great Britain controlled the trade of southern China from its base at Hongkong; he has watched the Japanese trader load his goods at Osaka and Kobe and within six days time unload them again on a wharf on the Chinese coast and he has decided that "nearness to market" is one of the main factors that is causing America's share of the trade in China to dwindle. But is such the case?

Since 1898 the United States has held a trade base in the South Pacific, the Philippine Islands, which if



Manila To—

Batavia, Java	1,559	San Francisco	6,221
Brisbane, Australia	3,552	Seattle	6,012
Colombo, Ceylon	2,952	Singapore	1,370
Guam	1,501	Sydney, Australia	3,967
Honolulu	4,767	Yokohama	1,757
Liverpool, England	9,649	Nagasaki	1,024
Melbourne, Australia	4,528	Shanghai	1,162
Newcastle	3,917	Hongkong	631
Panama	9,347	Calcutta	3,016
Port Townsend, Wash.	5,931	Taku (port to Tientsin and	
Saigon, Cochin China	907	Peking)	1,736

properly established could be made to command a commercial influence over the Far East, which would be felt from Calcutta to Peking. What the position of Hongkong has meant to British trade in China could be made to apply to our own insular port of Manila. Not only then should we be able to regain our former share of the Chinese markets but we would further strengthen, financially and educationally, the commercial growth of the Philippines.

THE one step necessary to place American trade interests on a proper footing in the Orient is the establishment by our Government of a "free commercial zone" at Manila. The measure has been advocated for several years by our merchants in the Philippines, but little thought was given the project in this country. The breaking out of the European war since that date has aroused the American manufacturer to the need of foreign markets, and it is expected with governmental recognition of American financial aid to China the American trader will seek to regain the position in the East that he held a little more than a decade ago. Here is where our insular possession can play its part.

Naturally, Hongkong with its "free port," with its Kowloon, Cosmopolitan and Aberdeen docks, with its go-downs adjoining wharves, has been the Far Eastern base of freighters from the seven seas, and ships that otherwise might have made their re-provisioning anchorage at Manila, but 631 miles distant, have turned their business over to the British port instead. Even the American Pacific Mail fleet of vessels, which resumes its service to the Orient on August 29 has limited its stop at Manila to two days, while its ships will be docked at Hongkong for ten days.

The United States is losing millions of dollars through this arrangement. Not only are American vessels paying into British ports heavy harbor dues that could just as well go to the upkeep of the Philippine Islands, but they are diverting to Hongkong a large American tourist trade.

On an American vessel travelling in Oriental waters several months ago, were thirty-two passengers making the round-trip of the Orient. They spent two days in Manila and then went on to Hongkong where the ship laid up for ten days, unloading cargo—and an American cargo at that—re-provisioning for the return trip to the United States and otherwise making necessary repairs on the vessel. For ten days these American tourists wandered about the Peak overlooking Victoria, awaiting the resailing of their vessel, while hotel keepers ran up bills of \$5 a day, and curio shops drained their purses. At Yokohama some days later I met one of these "round-trip" passengers.

"How did you like the Philippines?" I asked him.

"Well, I didn't see much of the islands," he replied. "We were only at Manila two days and, of course, we didn't have much chance to get about. At Hongkong, however, we had a very enjoyable time."

Such has been our policy of neglect in the Far East.

TO consider briefly the expenses that American ship masters pay over to British authorities when they take their vessels into Hongkong: The tariff rates charged at the British docks on gross tonnage of the vessels are

\$475 for a 1,000 ton vessel, \$495 for a 1,100 ton vessel, and 45 cents for every ton beyond that amount. For the above rates a vessel is allowed to remain in dock but three days and for every day after the third, American ship owners have been required to pay \$110 for 1200 tons and 9 cents per ton beyond that limit. With American vessels entering Hongkong, scarcely ever having a gross tonnage less than 20,000 and with a scheduled stop of ten days, the expenses are obviously large.

But there are further harbor duties. For discharging cargo along the wharves, using the ships gear, a progressive scale of prices has been arranged which includes \$1.25 for less than two tons; \$1.75 for less than five tons, and so on. Lighterage is taxed at 12 cents a ton. Thus it can be seen that American vessels entering British ports in the Orient, besides providing work for hundreds of natives, are compelled to pour thousands of dollars into British coffers, to be utilized for colonial development. This might better go to the development of Manila and our insular possessions.

What American shippers and traders need if they are to regain their commercial position in the Far East is the "free zone" at Manila. Let our Government set aside fifty acres of reclaimed land in the Porte district along Muelle San Francisco and there erect go-downs alongside the three concrete piers they have built on the water front. Provide a commercial coaling base and then invite the ships of the world to dock at piers and discharge what goods they may within the district free of charge and without the usual tedious delays of the customs office. Provide suitable shipping facilities so that American vessels can spend ten days in Manila and Hongkong will become a port of call for two days, as are Shanghai and Kobe and Yokohama. Give the American "round-trip" tourist the opportunity to journey over the Manila railroad to the beautiful mountains at Baguio. Let him get the thrill and pride of what the American occupation of the Philippines has meant to the islands and natives. As the travel increases the spirit of America will gradually be infused in the Filipino. "It requires travel and shipping and the coming and going of strangers to impregnate a civilization," said Walter Lippmann.

AND let not our manufacturers forget that the Philippine islands last year consumed \$22,394,381 worth of their products. It is a growing market and travel is bound to increase its desires still further.

"The development of the resources of the archipelago" says Harold M. Pitt, president of the Manila Merchants Association, "has hardly begun and the purchasing power of the people is yet absurdly small. When they have advanced in agriculture, commerce and industry only to the stage Porto Rico has already attained, and if the United States sells them only as much per capita as Porto Rico is now taking, it will mean the consumption of three hundred million dollars worth of American products each year."

In 1910 the Philippine Islands purchased but \$10,775,301 worth of American goods. In just five years from that date that figure had become \$22,394,381.

"Development of the Philippine Island to a point where they are consuming upwards of three hundred

million dollars a year of American products means that American manufacturers will be warranted in maintaining permanent stocks in Manila, from which to supply this trade," continues Mr. Pitt. "These stocks will be available to serve the trade of China and other Far Eastern countries and an advantage will lie at the hand of American commerce that is not possessed by any competitor, for no European country has territory so favorably situated, the trade of which it controls, and that has a population whose consuming capacity will compare with that of these islands when developed. The Chinese merchant will be able to obtain from Manila in from one to two weeks what it now takes several months to get from Europe or America. The benefits to the importer in China that this situation will make are obvious and that it will secure to the United States a strong commercial influence and prestige in China must be recognized."

The United States controls the Philippines trade. Practically all goods brought into the Islands are subject to duty, except when coming from the United States. This assures the American manufacturer of a "home market" that is second to none. By the establishment

of the "free zone" in Manila he would not only be able to keep stock for the constant and growing trade of the Islands, but he would be in a position to trade with Calcutta, with Singapore and with the vast and wealthy provinces of southern China. Hemp from the Philippines which is now shipped in British bottoms to London and then reshipped to Boston and New York, thereby causing needless expense, will soon, under proper shipping legislation, avoid this by going to American ports via the Panama canal. With the "free zone" American merchants will be able to barter and trade any surplus stocks with the rubber merchant from Singapore or the tea and silk merchant from Hankow and Canton. Manila will have become one of the leading commercial cities of the Orient, the tradal warehouse of a vast trade to the East; the American tourist will spend his money in our own possessions and Manila will have become the terminal point of American commerce in the Pacific from which will radiate into Asiatic markets the American salesman, ready to deliver his goods in not more than two weeks time. That would mean "America First" in the Far East.

San Antonio—Host to the Americas

By LEO R. SACK

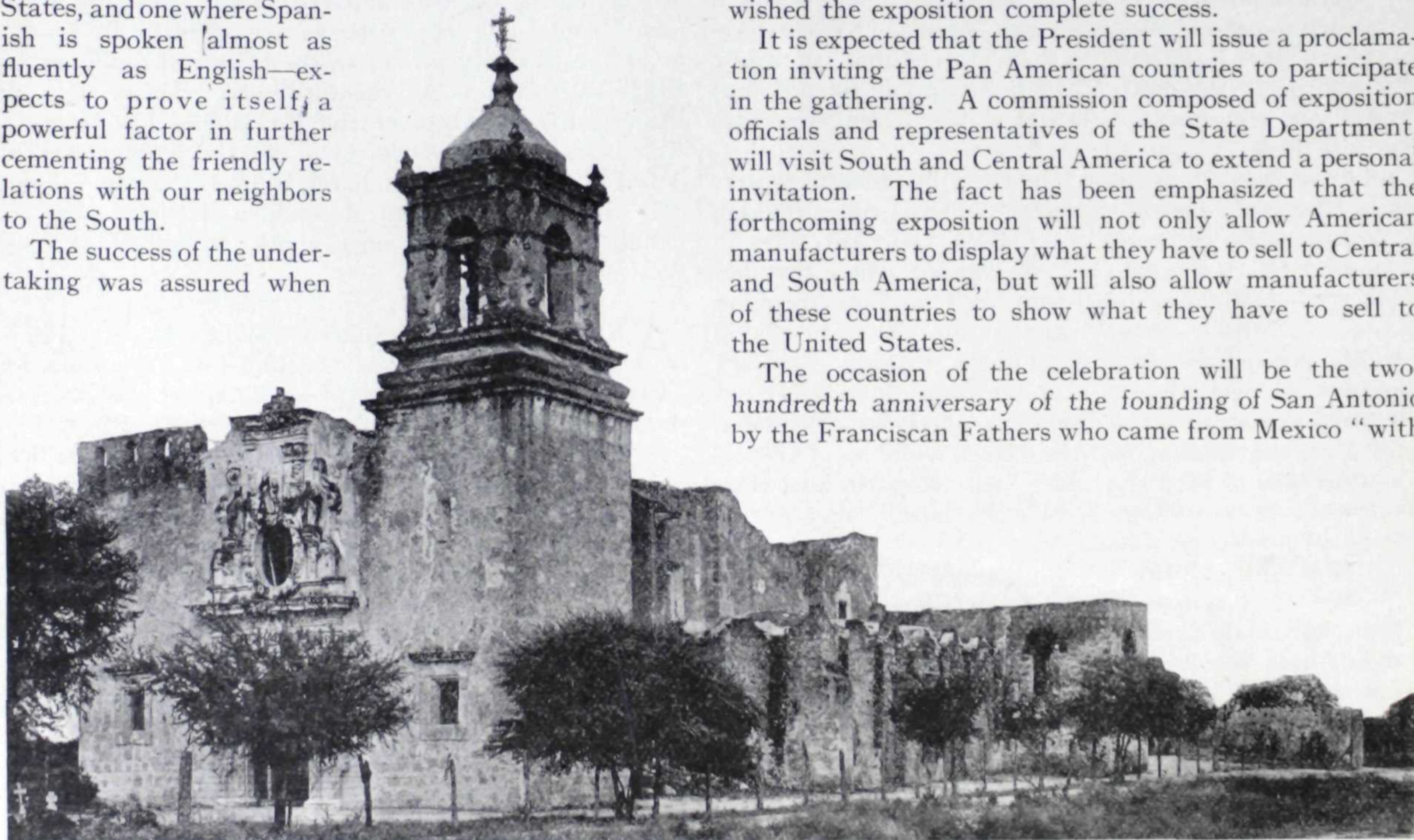
ANOTHER great exposition is in the making. San Francisco and San Diego celebrated the opening of the Panama Canal. Now San Antonio—as typically Latin American as any city in the United States, and one where Spanish is spoken almost as fluently as English—expects to prove itself a powerful factor in further cementing the friendly relations with our neighbors to the South.

The success of the undertaking was assured when

Congress unanimously passed a resolution extending federal recognition to the Texas Bi-Centennial and Pan-American Exposition to be held in San Antonio in 1918. President Wilson subsequently signed the resolution and wished the exposition complete success.

It is expected that the President will issue a proclamation inviting the Pan American countries to participate in the gathering. A commission composed of exposition officials and representatives of the State Department, will visit South and Central America to extend a personal invitation. The fact has been emphasized that the forthcoming exposition will not only allow American manufacturers to display what they have to sell to Central and South America, but will also allow manufacturers of these countries to show what they have to sell to the United States.

The occasion of the celebration will be the two-hundredth anniversary of the founding of San Antonio by the Franciscan Fathers who came from Mexico "with



The San José Mission, Founded in 1720, to be Restored

a Bible in one hand and a sword in the other" to establish a Christian civilization in what was then a wilderness north of the Rio Grande. It is hoped the exposition, therefore will mark the complete rehabilitation of the ancient missions, built 200 years ago by the Franciscan pioneers when they began the civilization and conquest of the Southwest.

There are five of these Missions in and around San Antonio. The Alamo or Mission San Antonio de Valero, now referred to as the "Cradle of Texas Liberty," and the Mission San Jose, founded about 1720, are in the highest state of preservation. Some of the other Missions stand as pathetic ruins to remind the passerby of their glory and grandeur two centuries ago. The restoration of these Missions has the complete approval of Cardinal Gibbons. He recently paid the following tribute to the Franciscan Fathers who founded them:

"To those brave men and women who worked so hard to bring about a better and wider civilization, with no hope of reward, other than the blessing of the Almighty, I have only the highest words of praise and regard in my power. To be with you at the two-hundredth anniversary celebration of the settlement of San Antonio by the Franciscan Friars, would be a bright spot in my life. If my life is spared and my strength is equal to the task, I will be with you actually and always in heart and spirit."

As to the Pan American phase of the proposed exposition, the Secretary of State, Mr. Lansing, said:

"San Antonio is probably the best exemplification in this country of Pan Americanism, in which we are peculiarly interested at the present time and which is drawing the various nations of this hemisphere together.

"Undoubtedly an exposition of the kind proposed, while it celebrates a great historic event, will accomplish much good. I hope by the time you have your exposition we will have developed still further along the line of Pan American union, not in the sentimental sense, but in a practical sense. We have great resources in this country and we have relied largely on the fact that we have the power to live within ourselves.

"We are getting away from that idea. This war, if it has accomplished no other thing, has shown the American nation that it must give more thought, more consideration to international affairs. For that reason Pan Americanism at the present time comes very prominently before us, and I believe as

the months and years go by it will increase, and that by the time you hold your exposition there will be a very definite and very practical type of Pan Americanism, which has largely before this been a matter of sentiment."



The Famous Alamo, the "Cradle of Texas Liberty"

Benjamin Franklin on Daylight Saving

IN walking through the Strand and Fleet Street one morning at 7 o'clock, I observed there was not one shop open, though it had been daylight and the sun up above three hours; the inhabitants of London choosing voluntarily to live much by candle light, and sleep by sunshine; and yet often complain, a little absurdly, of the duty on candles and the high price of tallow.



Men You Know—And Don't

A South Carolinian Whose Business Ideals Are Inherited From a Pirate-Chasing Ancestor

By JAMES B. MORROW*

MAJOR Stede Bonnet of the British regulars, rich and middle-aged, turned pirate. Charitable but ungallant historians have said that he had a pugnacious and elocutionary wife.

The ravages of the major began in the waters and ports of the West Indies and extended northward to the coast of Maine. One hundred and ninety-eight years ago this summer, Colonel William Rhett, a soldier and a mariner, sailed out of Charleston, S. C., with two ships in search of the major.

The three ships met but went aground simultaneously at the mouth of a river. A rising tide, giving a sound moral ending to the incident, permitted Colonel Rhett to escape from the mud ahead of the robber. Whereupon Major Bonnet surrendered and was hanged, along with his crew, in Charleston, within the week following.

So the Rhetts picturesquely took their places in American history. Colonel William, the founder of the family, even before he captured Major Bonnet, had, as commander of six small vessels, chased an oncoming fleet of French and Spanish privateers out to sea and thus kept Charleston in possession of the English.

All of the Rhetts have been stirring and romantic characters. Among them can be counted statesmen, planters, bankers and manufacturers, as well as soldiers. The fierce old colonel, when he died, left one daughter. His name was reestablished, however, by Marianna Smith, his granddaughter and the wife of James Smith, a planter. She had eight sons. They proudly became Rhetts at her suggestion and by an act of Congress.

One of them, Robert Barnwell Rhett, was elected six times to the national House of Representatives and was chosen to succeed John C. Calhoun in the United States Senate. He was known in the North as a "fire-eater" and it was his hand that wrote the secession address of South Carolina when that commonwealth withdrew from the Union.

Another Rhett, Thomas Grimke, a graduate of the military academy at West Point, joined the Confederates and was chief of staff to General Joseph E. Johnson. At the close of the Civil War, he became a colonel of ordnance in the Egyptian army.

WITH this introduction, R. Goodwyn Rhett, president of the Chamber of Commerce of the United States, is now brought to the front. He is a lawyer, a

banker and a manufacturer. A son of James and Marianna Smith was his grandfather.

Business men in every part of the country are hearing from Mr. Rhett, either by mail or telegraph. Often in his journeys East and West, he stops to address them on subjects of national interest. A blond-haired and gray-eyed six-and-a-half-footer, he is as energetic and sufficient as was Colonel William, the pirate hunter.

Years ago his father began grinding phosphate rock and turning it into commercial fertilizer. Charleston became a center of that industry. Ten millions of its money is now invested in phosphate lands and fertilizer buildings and machinery. Mr. Rhett, after his graduation from the University of Virginia, practiced law for fifteen years. Then, because the bent of his mind had always been toward finance, he entered the banking business as president of the South Carolina Loan and Trust Company. He is president of a large national bank at this time and is not outranked in vigor, ability and success by any other business man in the South.

Mayor of Charleston for eight years, he has long interested himself in city problems and modern economic questions. He has been active from the first in the debates and management of the National Chamber of Commerce and recently was unanimously chosen to be its president. The North Atlantic and the Pacific are as largely in his vision as are the South Atlantic and the Gulf of Mexico.

The 700 organizations, with their 300,000 members, that compose the Chamber of Commerce of the United States, are both in and out of politics. Parties, to them, are nothing. The action of parties, however, is everything. At bottom, of course, the whole object of chambers of commerce, no matter where they are located, is to improve local social and industrial conditions.

The national body, in turn, concerns itself only with national conditions. Its officers and the members of its many committees are the big business men of the country, merchants, manufacturers and financiers, with a leavening quota, at the same time, of college professors, political economists and statisticians to dig out the ethics, the theories and the arithmetic applicable to such cases as may be considered.

Business, it can be said, has at last found its voice through the organization of the National Chamber of Commerce. The inquiry: "What does business want?"

* From the *Boston Globe*. Other articles on American business men, written by Mr. Morrow especially for THE NATION'S BUSINESS, will follow.

can now in most instances be plainly answered. The 300,000 men represented by the Chamber of Commerce of the United States have found that they are practically of the same opinion on the questions that are paramount. It is Mr. Rhett's duty to direct the work of making known the judgment of business men, when obtained, to the President and his Cabinet and to the Senators and Representatives in Congress, whether they are Democrats or Republicans or a commingling of both.

"Only subjects national in character are sent to chambers of commerce and trade organizations for debate and decision," Mr. Rhett said to me. "Our referenda show that the leading men in all American communities think alike, on the whole, in matters of nation-wide importance. The reason that they do so can be easily explained. They are men of action, experience, observation and reflection. We give them a free means by which to express themselves, away from politics, and all other relations to which they are bound by sentiment or long association. Consequently they speak clearly and independently."

"There are chambers of commerce in large and small cities and trade associations among manufacturers and dealers engaged in similar industries. All are members of the national body. The trade associations are made up entirely of business men. Chambers of commerce are not. Their membership includes merchants, manufacturers, bankers, lawyers, physicians, ministers, engineers, editors, dentists, real estate brokers, railway officers, and, in many places, leaders of labor. They are the picked men, I might say, of their communities and are banded together for only one purpose—the welfare of the places in which they reside."

"Years ago it was customary among men such as I have named to organize chambers of commerce and by gifts of sites or the payment of money premiums or bonuses to draw factories and other business enterprises to their cities. The policy was bad in several particulars. Furthermore, many a concern in those days made it a business to move around from town to town and most of those that did so with honest motives were weak financially and in other respects."

"The object of those old-time chambers of commerce was good in itself but it wasn't worked out wisely. All of the best men in a city, with no distinction as to their business or professions, heartily joined in the effort to develop their community industrially. They learned by and by, however, that free land or a gift of money was not the sensible way of doing it. Shipping facilities,

low rates of transportation, clean streets, good houses for labor, they found, were infinitely more dependable for the work they had in hand.

"But the character of the membership of those now obsolete bodies of city builders did not change. They continued to be composed of public-spirited and able men in all lines. And that is the case today. I am sketching the history of the hundreds of chambers of commerce in the United States to show that they have been and are now representative of the country's best constructive energy and thought. When a question is sent to them it is decided, I am sure, conscientiously and

intelligently and in the highest every-day wisdom of the American people.

"Before we submit a referendum to the business and professional men of the nation the subject to be voted on is thoroughly investigated by a competent committee, with the assistance of our own experts. It often happens, naturally, that there are two reports—one by a majority of the committee and another by the minority. The subject, therefore, as you can see, is carefully considered from all directions. The facts and arguments are sent to the country in printed form."

"Each chamber of commerce or trade organization, after its own investigation, takes a vote. The result of the vote is forwarded to the national body in Washington. A study of the figures thus coming

to us from every city in the country shows that the 300,000 merchants, manufacturers, bankers, lawyers, physicians, ministers, editors, college professors, railway officers and others, are in surprising agreement on all the vital questions of the day.

"The vote, for example, on the Clayton Act regulating monopolies was almost unanimous. It was indorsed by 95 per cent of the members of the hundreds of local chambers of commerce and by 97 per cent of the members of the different trade organizations."

"We have found, strangely enough, that the business men of the South favor the giving of subsidies for the creation of an American merchant marine. The bill authorizing the national government to purchase freight ships for the oversea trade was rejected by a vote taken throughout the land. Eighty-nine per cent of the members of the local chambers of commerce and 86 per cent of the members of the trade organizations are opposed to it."

"So with the proposal to establish a permanent tariff commission. Party doctrines were disregarded. The free trader, the revenue reformer and the protectionist,



© Brunell

He Thinks Overalls Aristocratic When the Men Who Wear Them Own Automobiles and Their Own Homes

forgetting the speeches of their political leaders, even if they were remembered, voted almost to a man for a board that would apply business principles, instead of political principles, to a settlement of the tariff question. A permanent tariff Commission was approved by 98 per cent of the members of local chambers of commerce and 99 per cent of the members of trade organizations.

"Nor is it a new state of mind that now governs them. In my opinion they have been harmonious in their thinking right along. But until the Chamber of Commerce of the United States was organized with its machinery for ascertaining the business convictions of the country they had no way of expressing themselves. They let the politicians talk but they kept still.

"Agriculture and labor have had the means of telling Congress about the laws they wanted passed and the laws they sought to have repealed. And Congress listened and then acted. I am glad to say that Congress, is now more than willing to listen to the voice of business; and so is the President, because what is good for business, is good for the country as a whole."

WHAT action will your organization take to meet the situation that will follow when the war in Europe is at an end?" Mr. Rhett was asked.

"I have been turning that question over in my reflections," he answered. "There is only one sensible course to pursue, in my opinion. Capital and labor, once antagonistic most of the time, must now join hands in an honest effort to prepare themselves for what is bound to come. There is trouble at present between them over the distribution of their joint returns. Money is being made. Its division is causing contention.

"The first step, and it should be taken at once, is to stop wrangling about hours and wages and get ready for the trade war that will begin the moment peace is restored in Europe. The United States must immediately reach a high state of efficiency if it hopes to hold its place in the markets abroad.

"The American people are making and growing more products than they can themselves consume. Obviously, the surplus must be sold in other parts of the world if our fields, mills, mines, factories and railroads are fully to be employed. United, we can enter the commercial and industrial war that is to occur at no distant day and more than hold our own in the face of all opposition. If we are quarrelling among ourselves, however, we shall be defeated. And defeat can be translated into idle workmen and all loss of profits to capitalists.

"Self-interest, not to mention patriotism, should bind our people together at this juncture. Trying days are ahead. They may be days of tragedy, of hunger and of great mental distress. But if we are efficient, as I have said, which means if we are cohesive, we can win on every field of battle. Then, having demonstrated our superiority, we can take the second step in the sensible course of which I have spoken—the equitable distribution of the profits of trade, agriculture and industry. If we confuse our steps, however, and attempt to make the first the second, or the second the first, we shall break down both in offense and defense and the Barbarians will overrun our markets.

"Efficiency, I know, has grown to be a common word, and possibly, an objectionable word, in our vocabulary. It has been worked to death, I suppose, in many instances. Yet its meaning, in the broadest and best sense, should be understood and respected by all classes of people. Efficiency, unemotional, precise and persistent, I think, is to rule the world in the future. The slap-dash nation will have a hard road to travel.

"An army cannot be gathered at random from the streets and successfully sent against an enemy. There must first be months and even years of hard training. Nor should we expect that the tens of thousands of aimless boys who are leaving our grammar schools and high schools every summer can be used by society advantageously unless they are properly prepared and directed.

"So our efficiency should have a beginning early in the lives of our children—in the home and at school. The National Chamber of Commerce by a vote of 831 to 109 in its constituent bodies, taken in forty-two states, has recently recommended that liberal federal appropriations be voted for the promotion of vocational education throughout the country.

"The farmer is being informed about his soils and instructed how and when to plant. He is told further where to sell his crops and his wife and daughters are being taught how to cook, can fruits and vegetables and keep house. The American agriculturist, through the expenditure of money out of the national treasury, is rapidly becoming scientifically competent.

"Now the valuable effort in nation-building—and that is how I view it—should be extended so as to include the millions who are not farmers and never mean to be. A South Carolina man said in my presence the other day: 'John (referring to his son) is working for \$35 a month and is mighty glad that he has a job. But negro bricklayers, whom I know, are earning \$6 a day.'

"John, the man's son, left school, I dare say, with no object in sight. He just drifted until he happened to find employment. The negro bricklayers, on the other hand, had a purpose. So the unprepared white man is earning \$1.50 a day, while the prepared black man is receiving four times as much.

"Out of our schools each June is coming a huge army of boys ranging in age from fourteen to eighteen. Those from the high schools think they are educated—and they are in books—and that work which greases their hands is below their standard and dignity. They want to be dressed up and get employment indoors, over counters and ledgers and what not, and there they remain, year after year, at from \$30 to \$50 a month.

"As carpenters, they might be earning \$5 and more a day. They are losing and society is losing, all on account of a weakness for white shirts. Vocational training in our public schools will dispel the absurd notion—often held by the poor themselves—that overalls, though profitable, are not highly respectable. Well, they look rather aristocratic to me, when I see men who wear them riding in automobiles and living in their own homes.

"Efficiency, then, is the first need of the United States, not only to meet the strain that will follow when Europe returns to the ways of peace, but all through the coming years of severe competition between men, cities, states and nations."

The Story of Steel

F. A. Churchill, Jr., Suggests a Method of Stimulating Interest in American Industries Among Business Men

LORD, send a man like Bobby Burns to sing the song o' steam," pleaded Kipling's Scotch engineer McAndrew, as he listened to the clank of the connecting rods and the purring of the dynamos and found therein a philosophy of life.

If McAndrew felt the need of a Burns to sing the song of steam, he would doubtless have called for a Homer to tell the story—the splendid story—of steel and its products; of the American genius which brings iron ore and coal together over a distance of a thousand miles; of that ingenuity which meets the lack of labor by creating machinery which dispenses with ten thousand hands at a single patent; of the conservation of coke and iron by-products whereby a score of invaluable derivatives are added to the national welfare that used to go, literally, up the flue; of the tireless inventors who forestall foreign idea-filchers by devising new and epochal machine improvements before ever the alien can get his imitation on the market.

Such is the picture of the courage and wisdom that has made possible such staggering combinations as United States steel. It would be a story of action, of adventure, of strategy, of industry. It would epitomize the business genius of the American people, and it is a story—and along with it the story of the cotton mills of New England, the salmon canneries of the Columbia, the packing houses of the middle west, and of a dozen other industries—that should be told again and again to the American people.

One of the big steel tube manufacturers recently exhibited at schools and colleges throughout the country films showing the making of his product from the ore in the

ground to the finished pipe. Automobile plants use the cinematograph in their efforts to promote health and efficiency and to give the workmen of various departments a conception of the process as a whole. The idea is capable of further development. Not in five reels of motion pictures, nor in fifty could an audience obtain a thorough knowledge of one of our great industries, it is true, but consider the value of a Chamber of Commerce course of illustrated talks devoting an evening each month, say, to each of the great American industries with which the audience is unfamiliar.

Suppose our plan has been taken up by some representative Massachusetts or California chamber. It is proposed to give a hundred or more keen, imaginative Americans some idea of the steel industry and its countless ramifications.

First, would be shown the iron ranges of Northern Minnesota or Michigan as they lay before Burt and his successors discovered the red ore just beneath the sparse sod. Then would flash a picture of the first primitive mining operations in comparison with the stupendous operations of the present, when something like thirty-five million tons of the red mud are mined and shipped in a single nine-month season. As we look at the pictures, the lecturer sketches briefly the character of the ores and their suitability for various kinds of iron, and the

TWO qualities characterize the American—imagination and a capacity for organization.

In the organization of business along national lines lies the secret of American industrial and commercial supremacy in the trade war that is coming. But how to hurry organization?

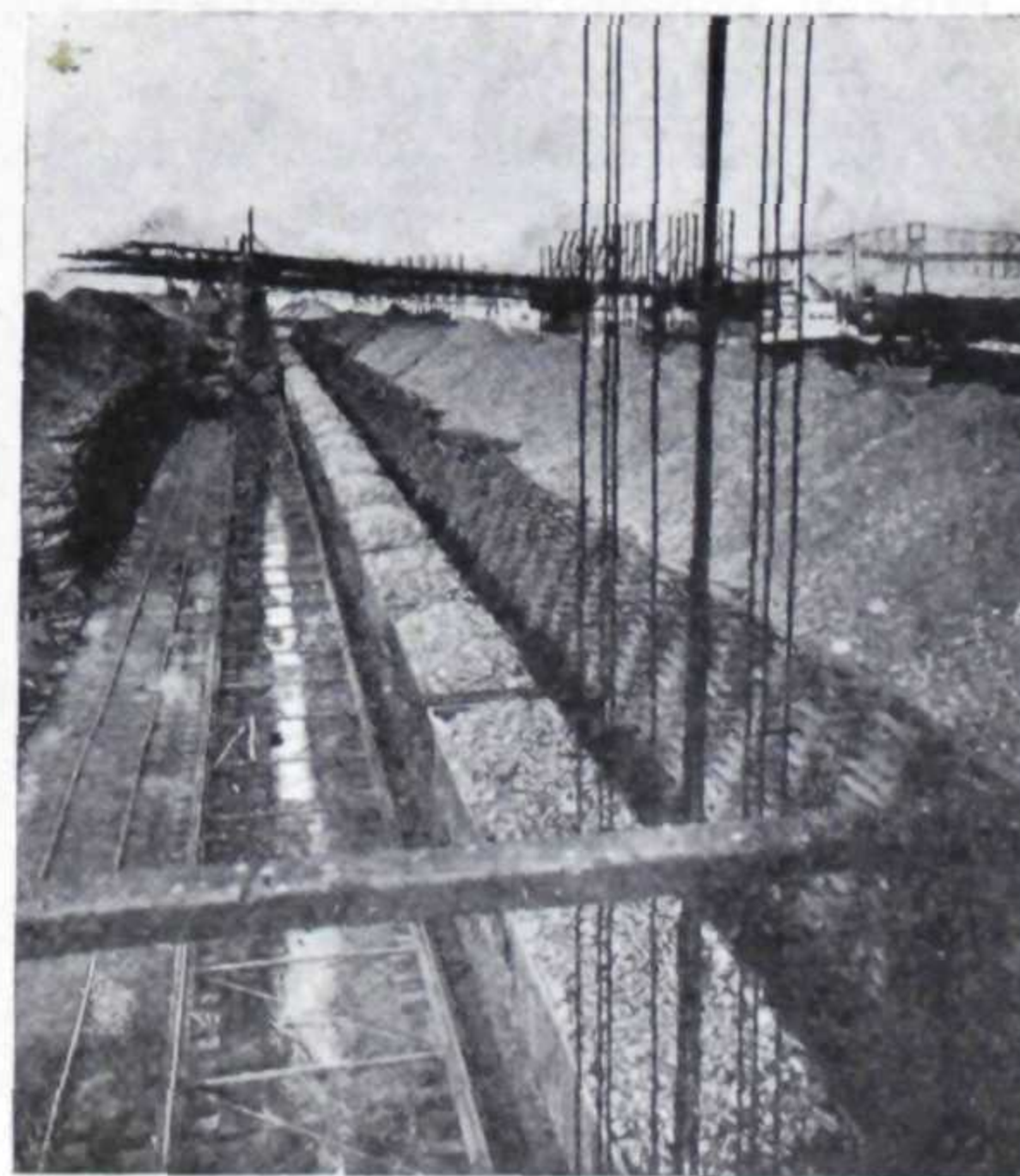
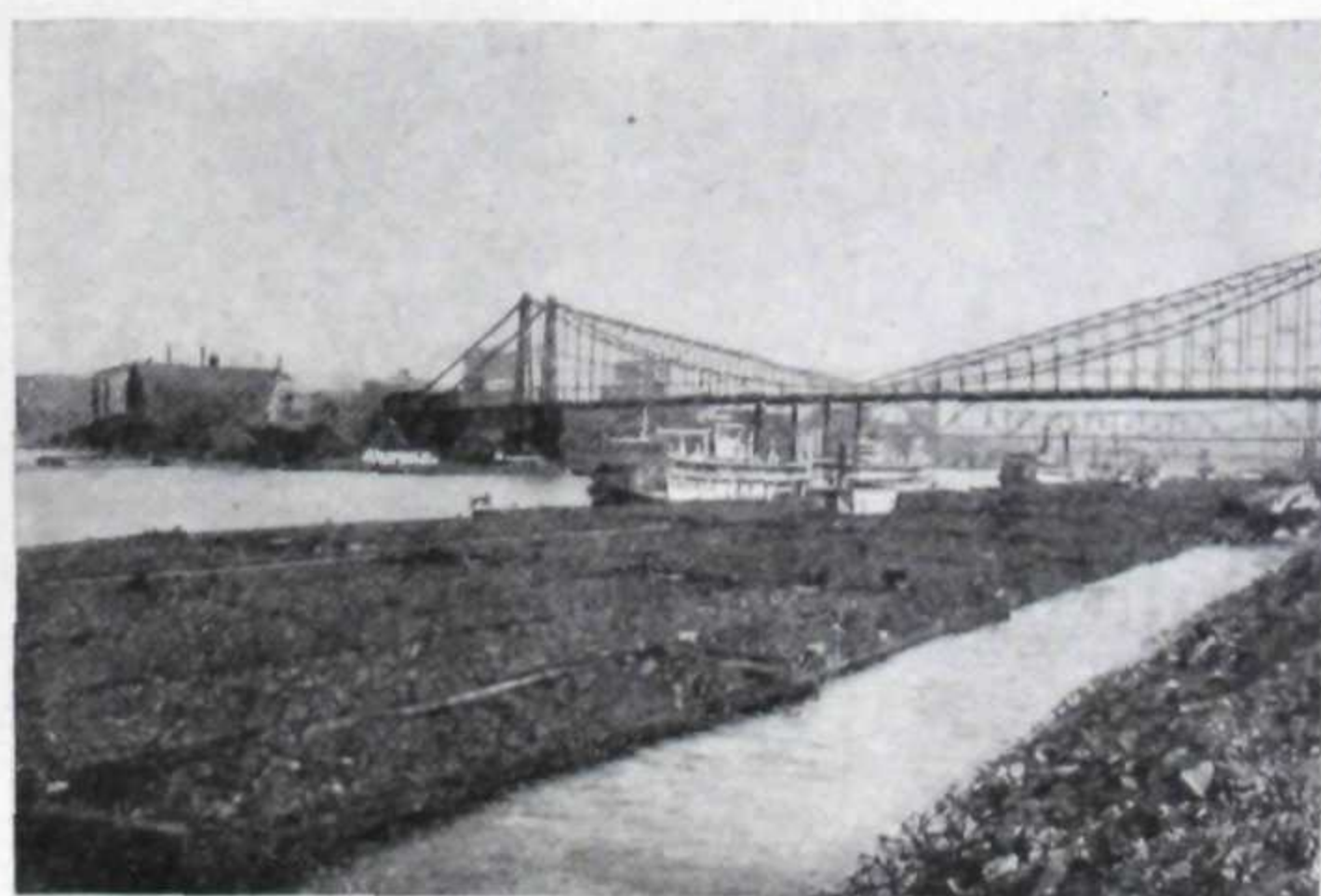
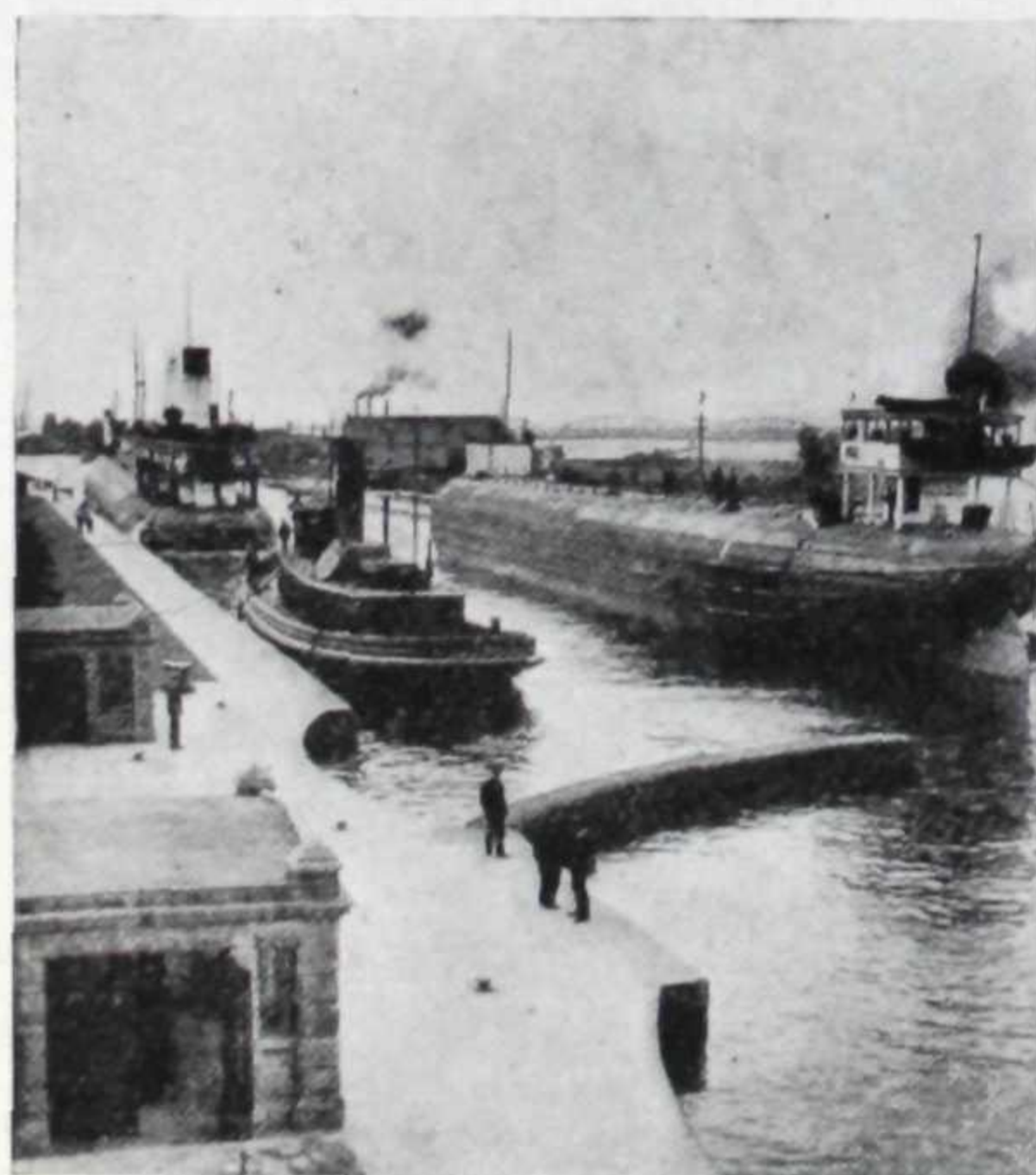
By a campaign of education.

Charles Sumner once said, "My countrymen, know one another and you will love one another." Sectional animosities which inspired that great sentence have died out but the barriers of personal interest continue. Before the United States can operate as a mighty unit in world trade, the doers must come to know one another—to understand more clearly one another's environment and problems. Mutual interest is to be stimulated between the eastern merchant, shipper and manufacturer; the middle western iron maker and farmer; the Pacific coast lumberman and exporter—and all the rest of us.

How?

Let us appeal to the great American imagination. It is a potent force which, if stimulated, will carry us far on the road toward common understanding and this must precede organized industrial effort.

"Now we follow the ore from the mountainous stockpiles to the blast furnaces"



means by which they are in certain cases benefited or enriched so as to make mining profitable.

Next, the Great Lakes transportation industry, which in point of tonnage shipped outstrips the total activity of our entire salt-water merchant marine. Our audience will be fascinated by the story of the Lakes ore fleet—how the modern bulk carrier developed from the original wooden schooner, not unlike Perry's warships, through such eras as that of the weird whaleback to her present status, brought about by the growth of demand and the increase in width and depth of the canals. The Lakes ore freighter today is a curious sight to the coast dweller. Six hundred feet in length, with a cargo capacity of 10,000 tons or more, she is as flat in section as a box, the high forecastle and engine-plant far aft being separated by an expanse of decks which are a succession of steel hatches.

Great ore docks which automatically load her cargo in little more than a half-hour, are exceeded in ingenuity only by the unloading docks of the lower Lake ports. These colossal structures, stretching their gaunt arms far into the sky, to plunge them into the vitals of a ship and draw forth seventeen tons of ore at a single venture, are as fascinating to the student of engineering as they are to the artist and lover of the picturesque. How the genius of man has striven with the winter climate which freezes the Lakes over three months of the year, in order to provide a surplus of ore for the winter season, is in itself a story of surpassing interest.

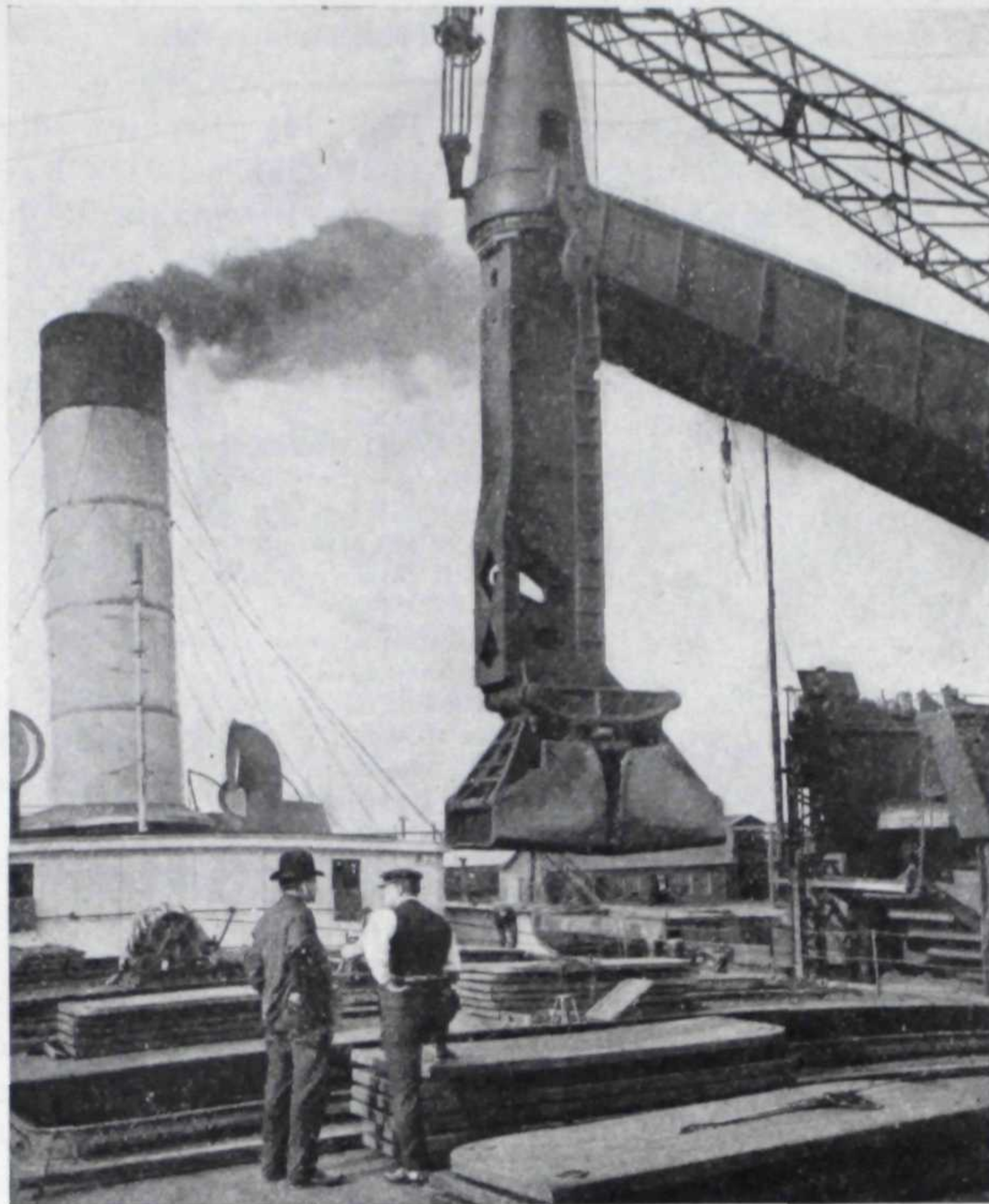
Now we follow the ore from the mountainous stock-piles of Toledo, Cleveland or Lorain to the blast furnaces of Pittsburgh or Youngstown, those squat monsters whose counterparts excite the wonder of lake shore travellers. Here it meets the coke whose function it is to purge the red oxide of its superfluities. We watch the flaming river as it roars from the bottom of a stack, to be cast into pigs. A brief description of the furnace, with the methods of charging and of melting the iron by means of air which has been literally roasted in the neighboring row of tall, dome-like "stoves"—and we are off for the by-product coke ovens. Here we see a process more economical than that of any German goulash-cannon field chef. As we behold the electric ejector pushing forth the glowing walls of curiously-layered cake to be presently quenched in a roaring cloud of steam and spray, we are told how the intricate workings of the ovens conserve every bit of the coal, from which are derived

such by-products as tar, gas, ammonium sulphate and benzol. Nearby we inspect a long line of powerful engines, all working smoothly and silently on the gas which has been reclaimed. If time permitted, we

would dwell on the manufacture of wrought iron, in which a mass of ore is cooked slowly in a charcoal bath, as girls make fudge in a double boiler. We would describe the crucible process, which makes steel from iron by roasting it in carbon. Instead, we hurry on to the Bessemer converters, those unearthly devices whose flames paint the sky nightly over a score of great towns.

Steel is iron which has been freed of practically all its impurities and mixed with a known quantity of carbon to give it certain properties of hardness or toughness. Special qualities are imparted by the addition of numerous alloys. In the Bessemer device, the iron is purified by blowing a stream of air through it. This method is being widely superseded by the open-hearth process, which, though not half as picturesque, is said to be more efficient.

Since we are not now trying to familiarize our audience with the niceties of steel-making, being anxious rather to stimulate their interest by means of the picturesque and the striking in the industry, we will tarry only a few minutes to watch one of the big reverberatory



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" . . . Stretch Their Gaunt Arms Into the Sky, to Plunge Them Into the Vitals of a Ship and Draw Forth Seventeen Tons of Ore at a Single Venture"



© Underwood & Underwood

" . . . Dazes Us With Its Revelations of Fierce Efficiency"

tilting furnaces as it swings down to void its incandescent contents. We hasten into the rolling mills, to stand on a little footbridge and see the white-hot ingot charge beneath us at the thundering rolls. With a crash, it disappears in a cloud of steam and sparks. It emerges, plunges again and again. Before we realize it, the bulky ingot has become a snakelike, still glowing rail. The miracle has been accomplished apparently without the aid of a single human hand. Far above us, an operator pulls various switches which actuate the ponderous machines.

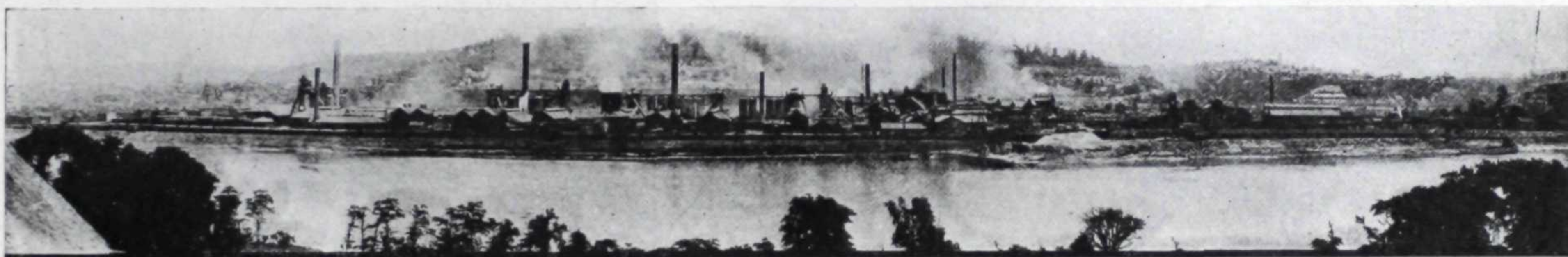
A few steps further on, we witness the process repeated in the manufacture of plates, sheets and bars. We behold, too, uncannily human machines whipping out miles of steel wire, weaving it into fences for pastoral fields, or into other, cruel fences which will presently stretch between hostile trenches. We visit a great shop in which single automatic lathes perform, almost without guidance, work that would have occupied a dozen men, not long since. In a laboratory we are shown apparatus of bewildering complexity and apparatus absurdly simple, by which the properties of steel are tested, and learn something of alloys and of modern tempering

processes. We are invited to inspect a plant in which are made needles, another which builds dreadnaught turrets fifty feet in height. The marvelous perfection of productive effort in a modern continuous foundry dazes us with its revelation of fierce efficiency.

When it is all over, when the cinematograph has faded into darkness and the audience returns to the familiar routine of business, the individual finds in his own mind an entirely new conception. The hackneyed ideas of bloated barons and grimy toilers have given place to some comprehension of what a wonderful, colorful, living entity it is—this making of steel! He discovers a new sense of comradeship with the brave, brilliant Americans whose brains and daring have made their country pre-eminent in the industry which gives this present age its name. He is eager to learn more—some special process, it may be, has caught his fancy. Thus the seed is sown. . . .

It's all a matter of appealing to the imagination.

And thank the Lord, we Americans are blessed with that quality in plenty. It will help us to conquer the world, in the coming war of peace.

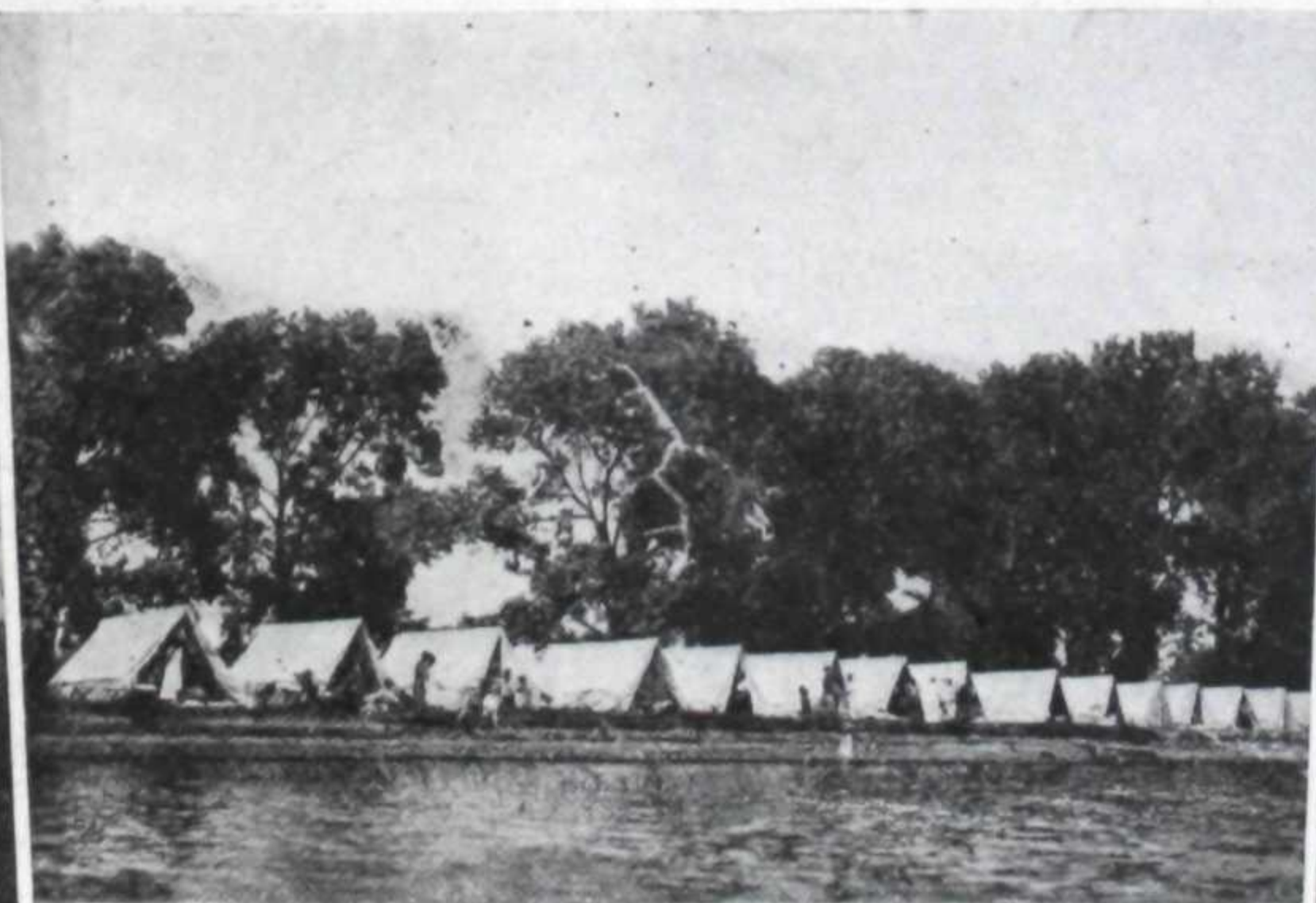


© Brown Bros.

Commercial Organization in New Role

THE "human side" of commercial organization work has been strikingly brought out in Toledo by the Commercial Club of the city. That group of business men has provided a means for the tired mothers and city-worn children who would otherwise face an unbroken summer of heat and continuous work, to get out into the open country for a real rest and opportunity to store up new energy for the coming year. The plan involves a delightful camp with the tents located on the sandy shores of a lake. The children can dig in the sand, swim, or play on the specially built docks and when they tire of that they can romp on a playground of forty acres of beautiful green woods fitted up with swings and games. There are all sorts of games to delight both boys and girls, while the mothers may spend restful hours with magazines and books.

The camp is provided with a doctor from the city health department and a district nurse. The Chief Executive of the Boy Scouts of Toledo is in active charge of the camp which is therefore run with military precision in its periods for "hospital inspection," lectures, recreation and special entertainment. But little accent is being put on the routine and the main object sought is the forgetting of home cares in two weeks of solid enjoyment.



Scenes at the Club Camp



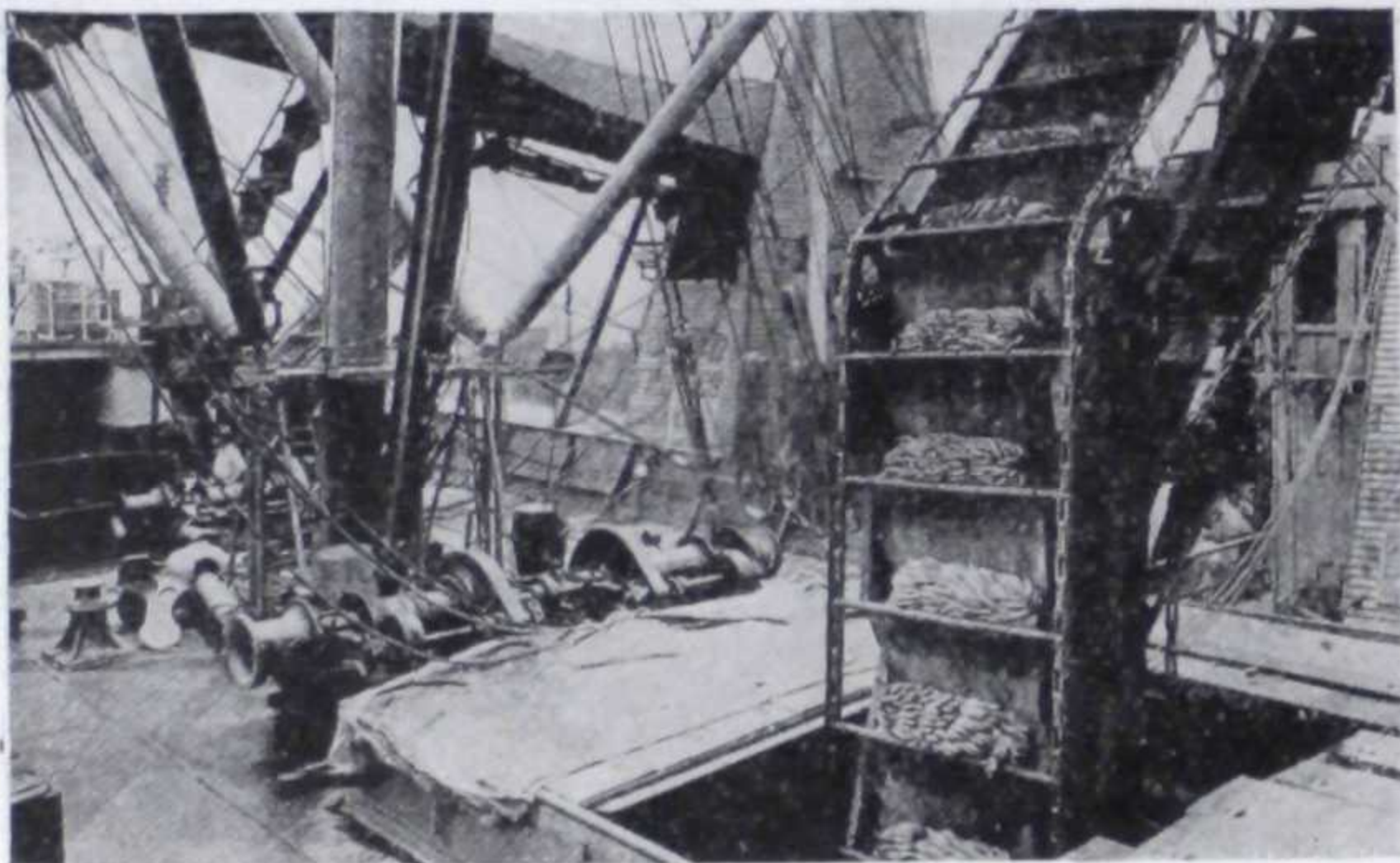
Uncle Sam's Varied Industries



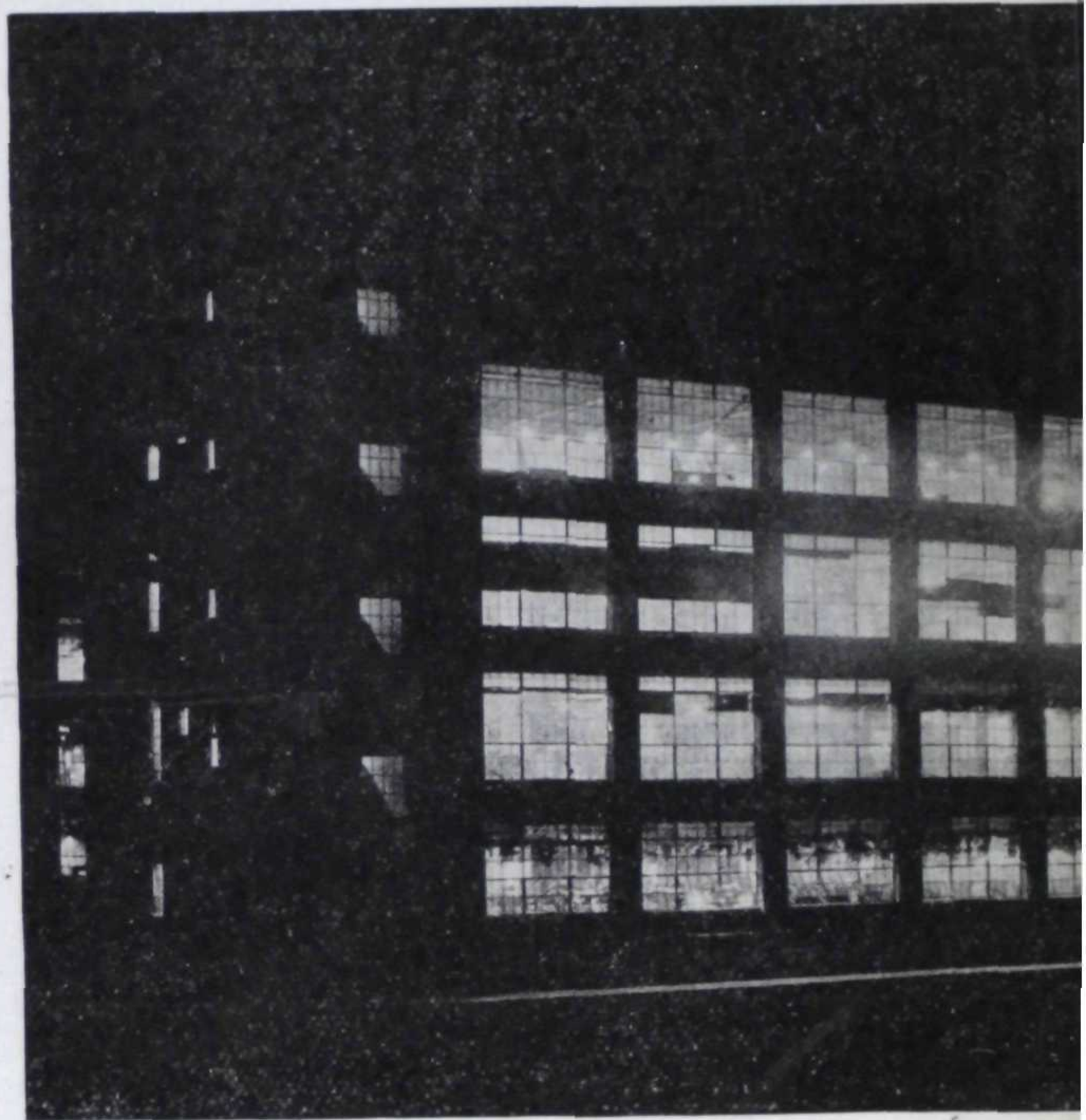
12,000 of the 20,000 Workers in an American Automobile Factory,



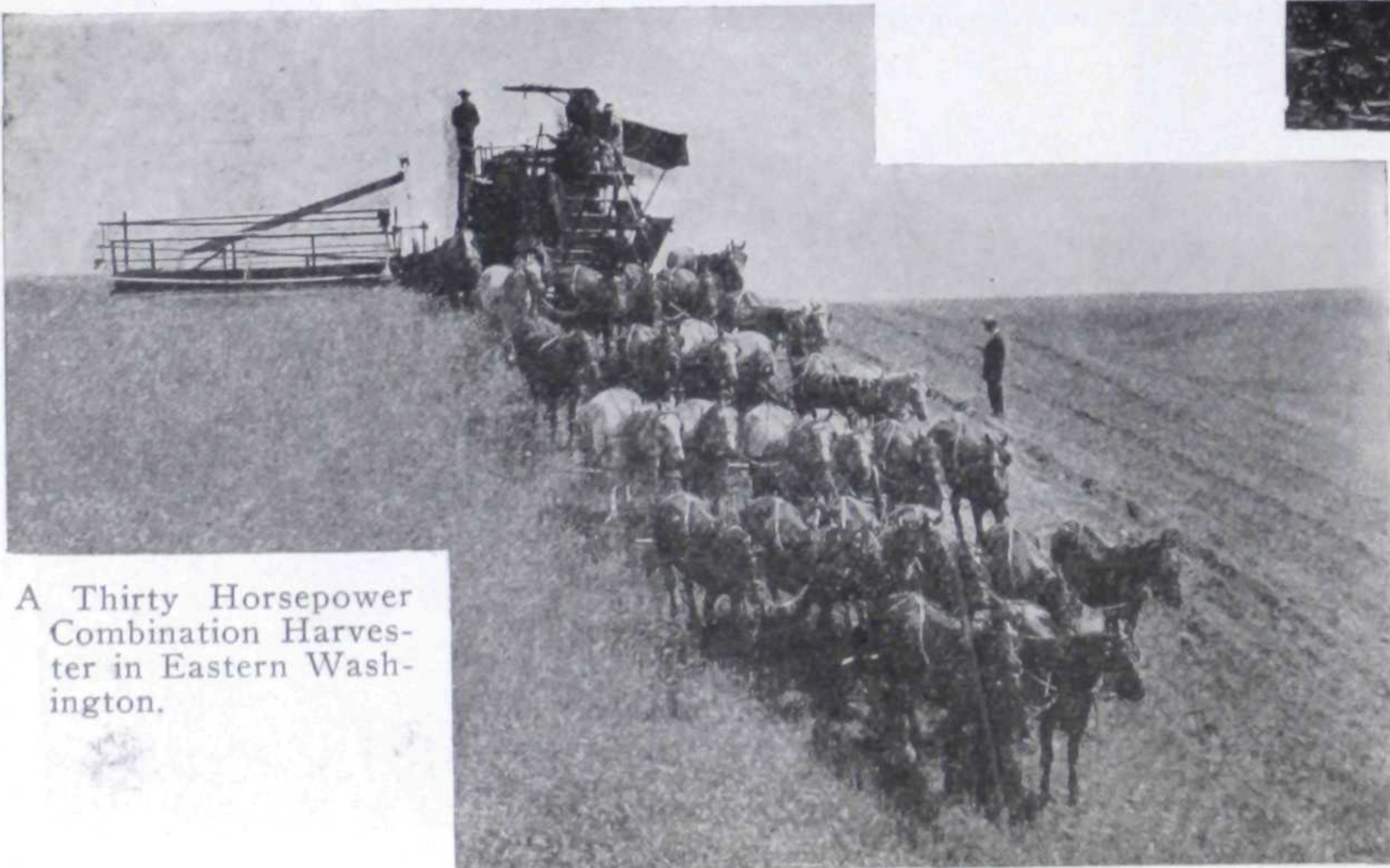
Making Typewriters, Syracuse, N. Y.



Conveyers Unloading Bananas at New Orleans



A Connecticut Munitions Plant Work

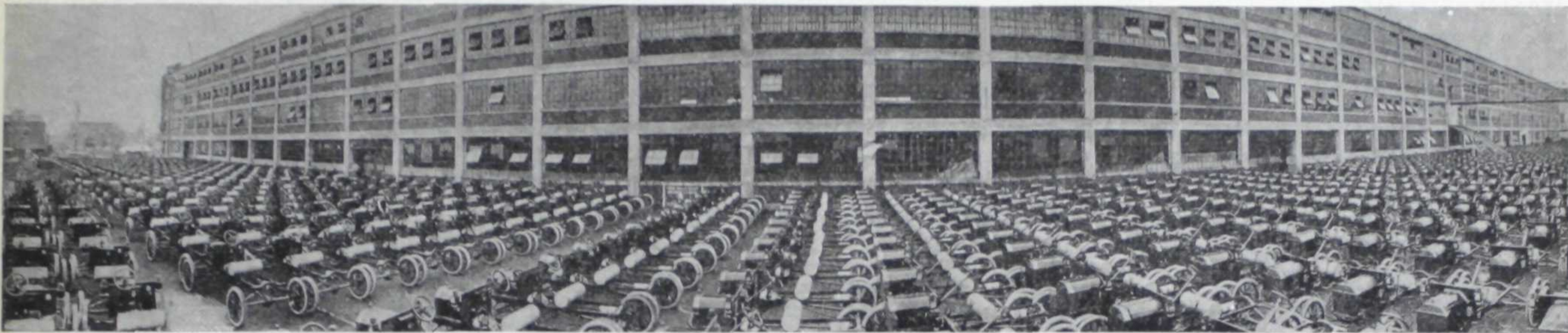


A Thirty Horsepower Combination Harvester in Eastern Washington.

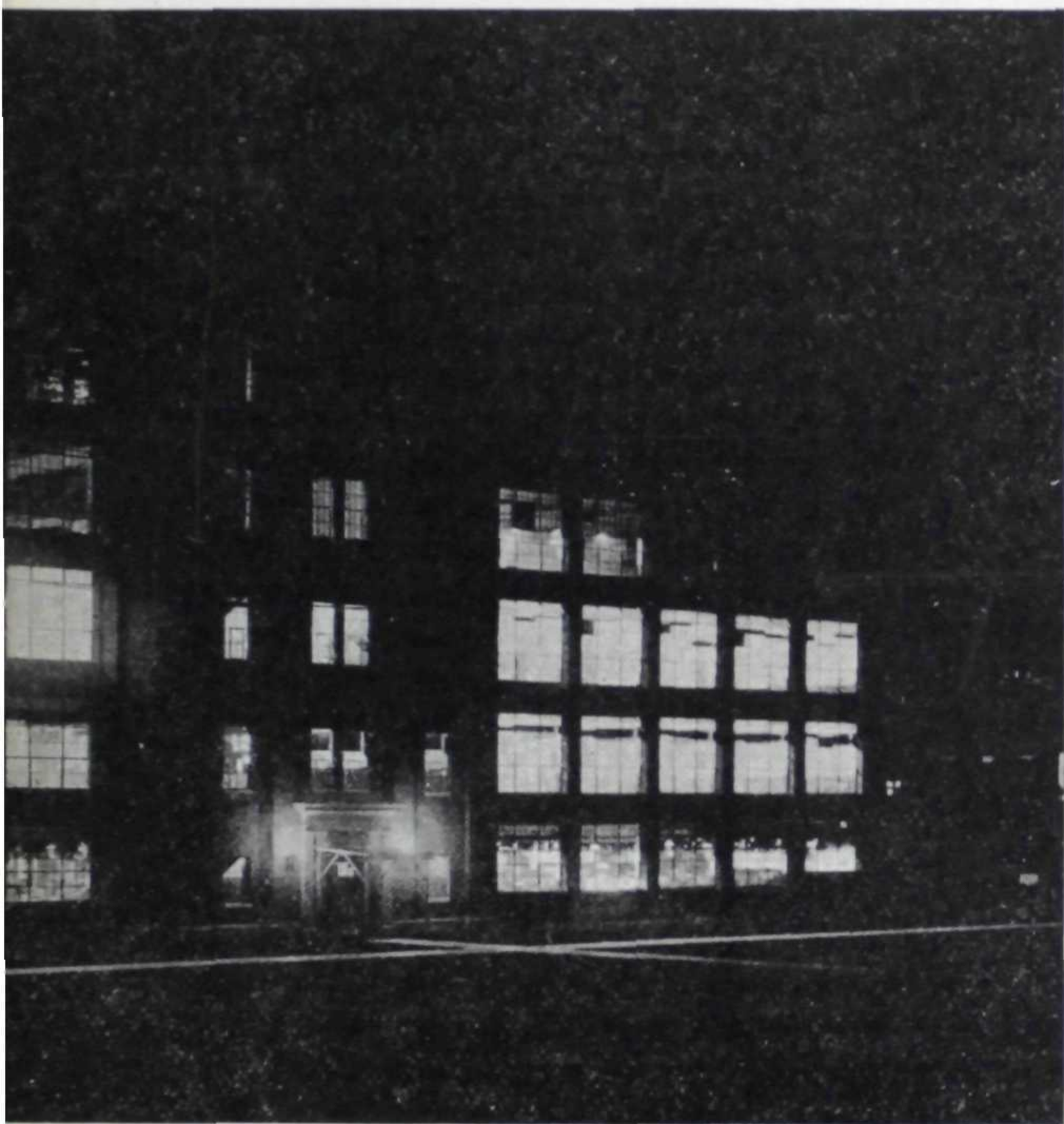


Fisherman's Luck in a Puget Sound Salmon Cannery

Going at Full Steam Ahead



and a Partial View of the 1,800 Cars They Produce in a Single Day



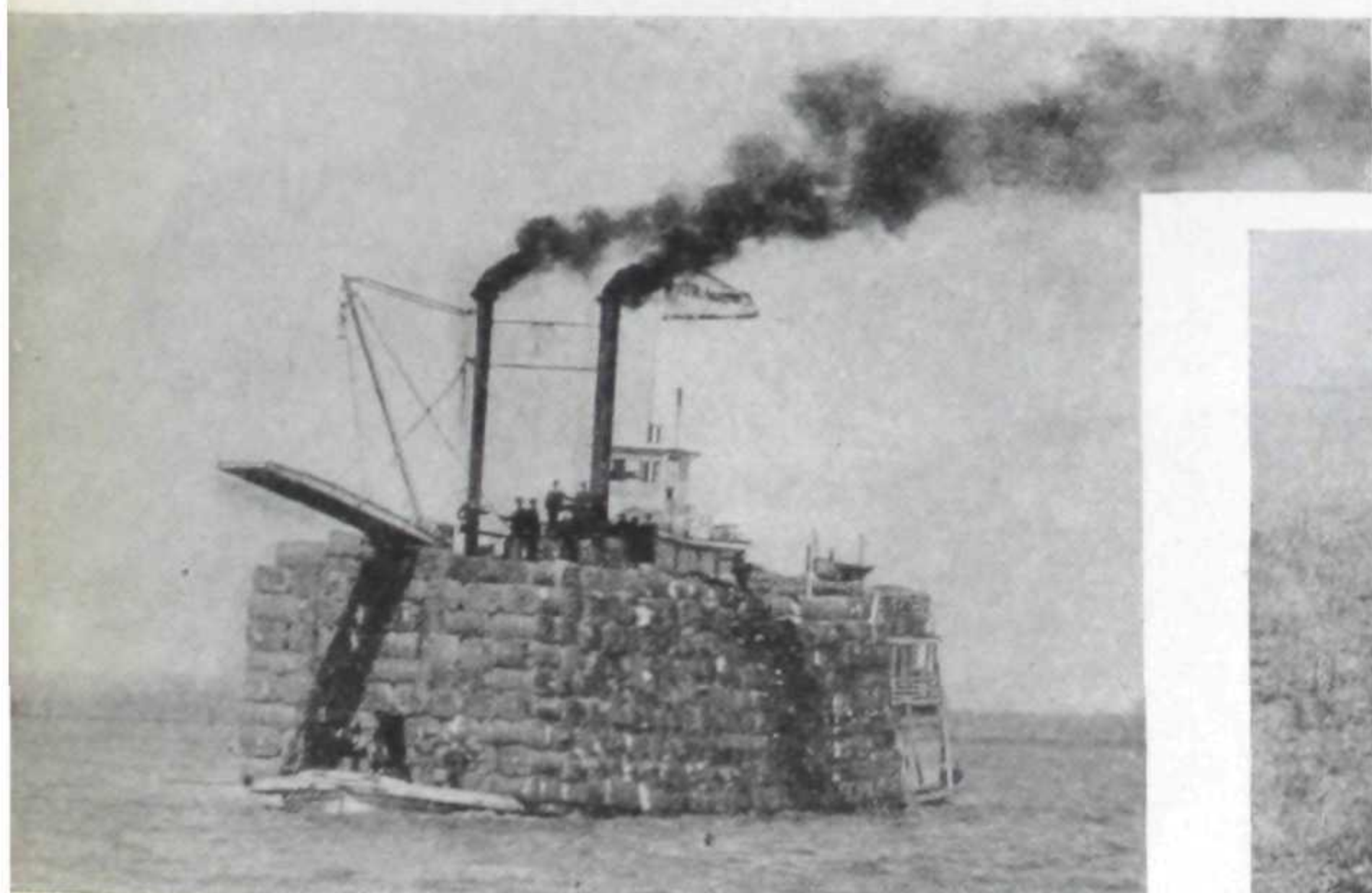
Twenty-four Hours Out of Twenty-four



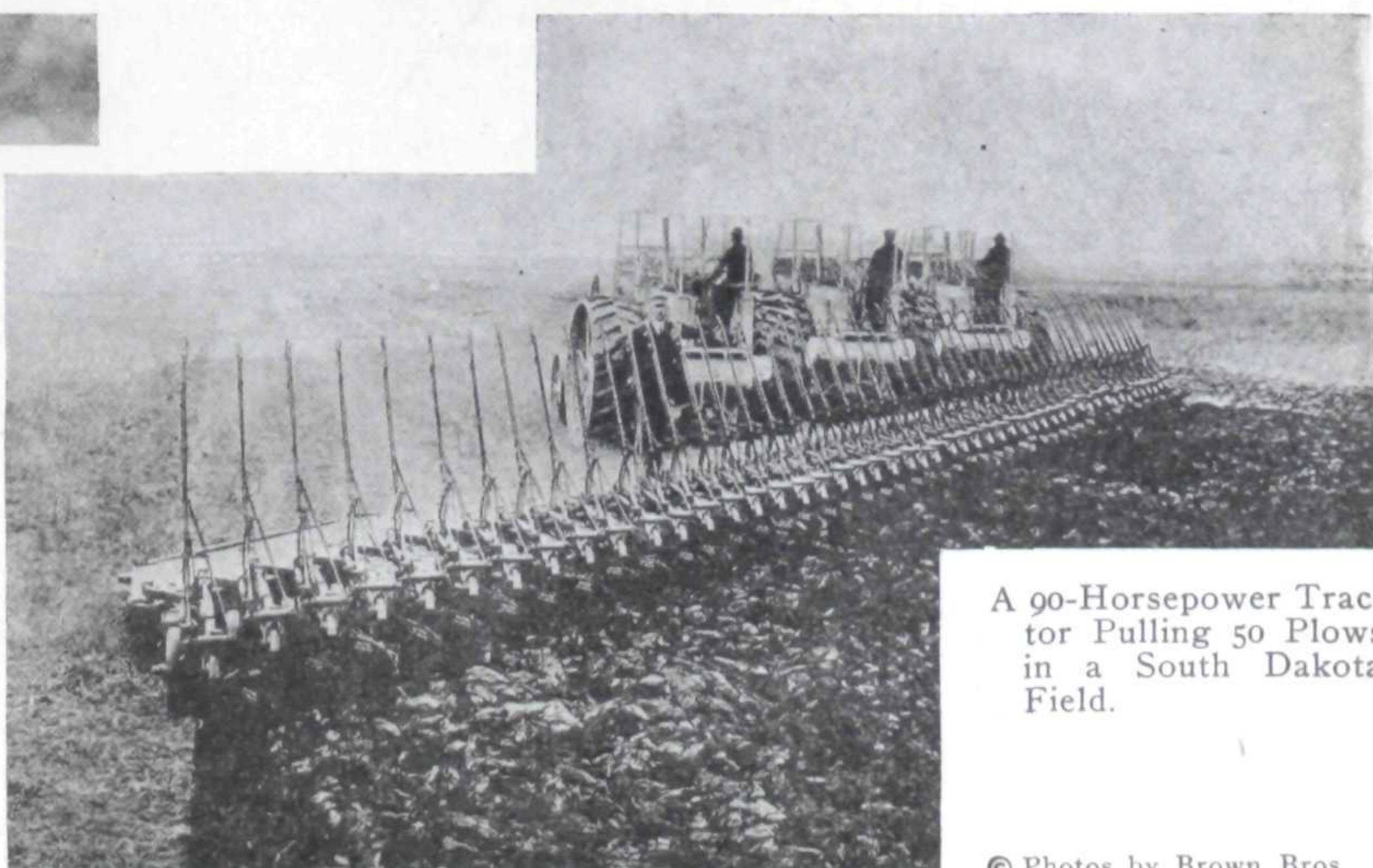
An Aerial Fleet in the Making at Buffalo



A Busy Morning at Market, New York City



A Load of Cotton on the Mississippi River



A 90-Horsepower Tractor Pulling 50 Plows in a South Dakota Field.



To Russia Via the Short Line

By ROY O. HADLEY

PRIOR to November, 1914, the departure of a steamship from Seattle across the Pacific to Vladivostok was scarcely known. Not since an occasional adventurous blockade runner set out to dodge the Japanese navy, with cargo destined for Asiatic Russia during the Russo-Japanese war, had there been an attempt to connect Puget Sound by direct sailings with the Pacific terminus of the trans-Siberian railway.

Before the present European war a large and substantial trade was carried on by Germans between Hamburg and Vladivostok. Ships from Hamburg passed into the Atlantic, thence through the Mediterranean and Suez Canal to deliver their merchandise at the Siberian port after a voyage of between sixty and seventy days. Supplies for the portion of Asiatic Russia best reached through its Pacific gateway came chiefly from Germany, now cut off.

Today a fleet of between thirty and forty steamships is engaged in carrying freight from Seattle and Tacoma to Vladivostok. They make the voyage in about twenty days. They took American products worth \$2,000,000 in 1915 and \$50,000,000 in the first half of 1916.

A new trade route has suddenly sprung into life. Hastened by the exigencies of war, it commands recognition from the shipping and mercantile world some years earlier than might have been the case under normal development. Judged by the requirements and the opportunities of ordinary times, the volume of the new traffic is at the outset artificially large. Nevertheless, it serves to indicate what will be, during the next quarter of a century, doubtless one of the striking commercial pages of history.

This prophecy is made only with the qualification that applies to all attempts at foretelling future events under present unusual conditions. But the certainty of a large and permanent trade between the Pacific Coast of the United States and Asiatic Russia, is as apparent to the observing student today as was the vision of the

empire to be builded when the late James J. Hill undertook to span untilled stretches of our northwestern states with a new railroad.

"ECONOMIC Doubles" someone has called Russia and America. Underneath wide differences of language, government, and religion, the two great countries are fundamentally alike.

Russia is not "different." Her great plains, lying as they do in the same north temperate zone as our own, produce bushels of grain and graze herds of cattle. Local self-government in Russia establishes and maintains schools, hospitals, roads, banks, and various cooperative associations.

Russia also has a tariff problem. To understand Russia, then, as a potential United States, with nearly twice the population, a rough, pioneering population, is to get a vision of the possibilities of American trade with Russia. The blazing of a new trail for trade between the two countries is therefore significant.

What little business existed before the war, between Puget Sound, the nearest American gateway, and Siberia, was trans-shipped through Japan. The direct traffic of today is conveyed mainly in Japanese bottoms under charter to American firms. The total exports from the customs district of the State of Washington to Asiatic Russia in 1913 amounted to but three quarters of a million dollars. The exports during the first four months of 1916, all shipped through Seattle and Tacoma, were worth \$39,000,000.

Notwithstanding the suddenness of this development the trade route is permanent. When peace returns it is true that commodities now taken across the Pacific and thence conveyed more than six thousand miles by rail to European Russia will not be routed this way, but it is equally true that

the rich expanse of Western Siberia and much of Manchuria that is served from Vladivostok, will obtain merchandise from the United States through Seattle rather than by the enormously long sea voyage reroute to carry the goods from northern Europe.

With the initial direct shipments from Puget Sound at the close of 1914, the business for the first time reached \$1,000,000 in a year. When in the fall of 1914 the Russian Volunteer Fleet announced that it would institute a trans-Pacific service, the Seattle Chamber of Commerce at once notified the leading commercial bodies throughout the United States, calling attention to this as the open gateway through which to send merchandise from America to Russia. The empire could no longer patronize her former chief source of supply—Germany. The Baltic was closed. The Dardanelles were closed. Archangel could not be reached in the winter months. The only Russian port at which cargo could land was the far eastern outpost facing the Western coast of America, nearer to Puget Sound by the great circle route on the open highway of the sea than to any other port of the Western

continent. The Volunteer Fleet withdrew its vessels after a few sailings, but a flood of tonnage arose and has since been carried by the chartered ships mentioned above.

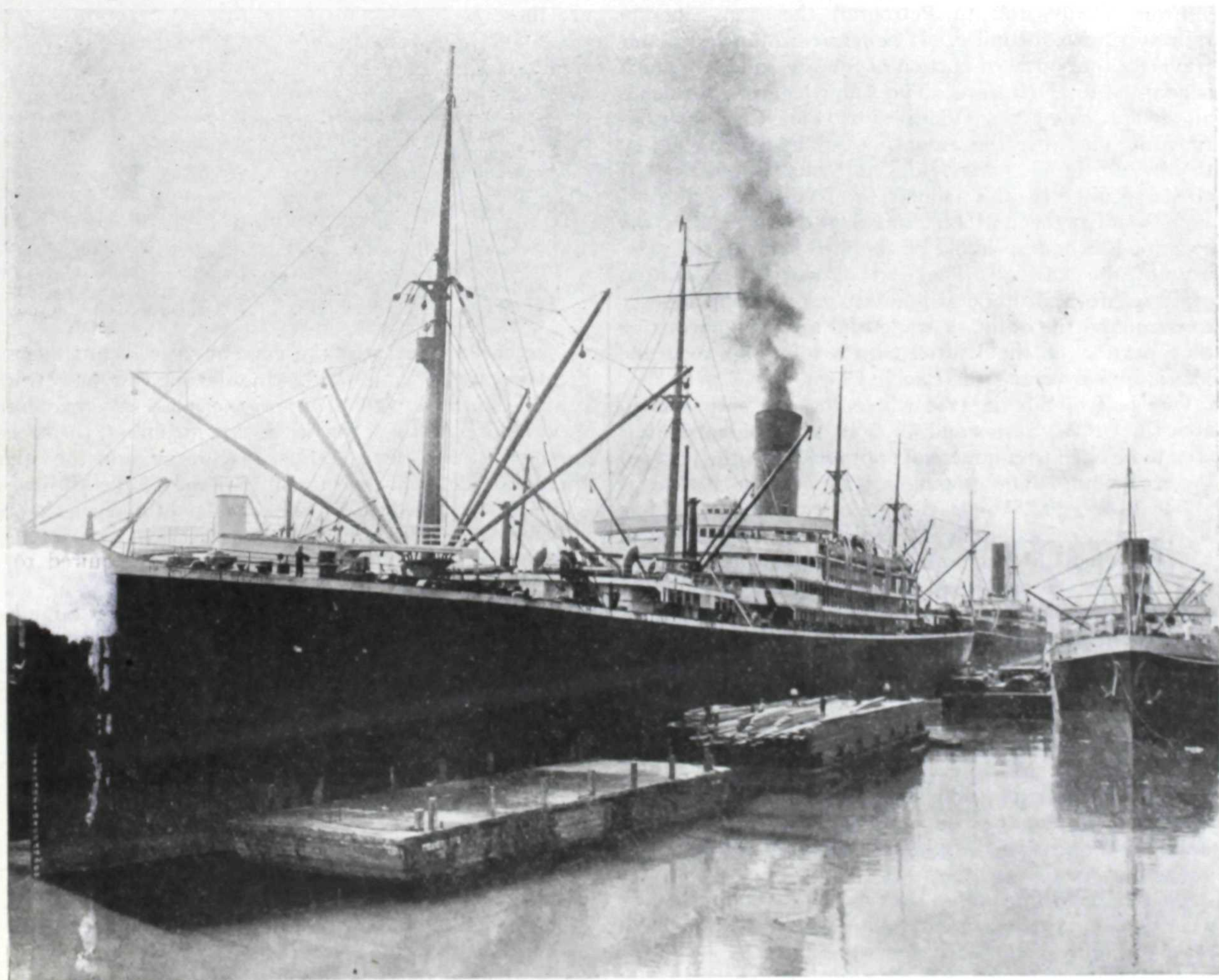
While much of this tonnage would not have been purchased by Russia except for the war, and while much more of it would have entered through other commercial doorways, had they been open, the outstanding fact is that the new trade route leads to possibilities that cannot be measured. The Honorable N. Bogoiavlenski, Imperial Russian Consul General at Seattle is an enthusiastic and convincing believer in this prospect. He has spent many years in the Far Eastern service of his government, is familiar with Siberia, Manchuria and all of that part of the world, and is a close personal friend of the Governor-General or Viceroy of the provinces bordering on the Pacific and extending far into the west.

During the last eighteen months Western America has come to understand something of Eastern Russia. It has acquired an ambition for permanent trade expansion in that direction. It recognizes that the trans-Siberian railway, when no longer required to carry heavy burdens over its six thousand miles from the Pacific to European Russia to meet the demands of war, will

emerge better equipped than ever to handle an enormous traffic from the seaboard far into the interior. Unless all signs fail, the restoration of peace will find the stage fully set for the settlement and productive development of the vast unpeopled stretches of Siberia.

And when this development is under way the things needed for it will go largely from America. America makes and can deliver most expeditiously farm machinery, clothing, shoes, food staples, building materials—all articles necessary to a new and growing country such as have been purchased by our own Western states.

By way of illustrating the opportunity for American products that will be reached through Seattle in Asiatic Russia, Mr. Bogoiavlenski, Consul General, speaks of the fact that Vladivostok, a city today of 150,000 people, is not provided with a water system. Prior to the present war it had 120,000 people, but there was no street railway until three years ago, when an electric line was constructed along the main thoroughfare of the city. And yet Vladivostok is the entrepot for Asiatic Russia and the port of contact with the outside world. The colonization of the agricultural lands; the development of the mineral resources; the cutting of the timber; and the utilization of the fisheries of that vast territory will



Vessels in Slip at Seattle, Loading For Orient. The Minnesota, in Foreground, Carried One Complete Cargo to Vladivostok in 1915



The Waterfront at Vladivostok, the "Sovereign of the East"

well build many towns and many cities, which, during the courses of their growth, will within a short time call for modern facilities and modern equipment such as American manufacturers, American engineers, and American ingenuity are best fitted to supply. Not only water systems, sewer systems, electric light plants, street railways, but other conveniences will be in demand.

From Vladivostok to Petrograd the trans-Siberian railway runs 6,500 miles. It penetrates Manchuria and traverses the southern portion of Siberia, much of which is adapted to agriculture. The Amur Railroad furnishes an artery connecting Vladivostok and the transcontinental line with the extensive Amur River country to the northeast. Mr. Bogoiavlenski estimates that goods required by the population of Siberia as far west from Vladivostok as Lake Baikal, a distance from the coast of 2000 miles, should be supplied through the gateway of the Pacific. The cost of rail transportation eastward from Europe will give America opportunity to command the ordinary trade of a territory as vast as that portion of the United States lying between the Mississippi river and the Pacific Coast.

One half of Siberia (the whole country surpasses in area the United States and all of its possessions) is thus seen to be open to commercial approach from the ports of Puget Sound. The population of Asiatic Russia is about 8,000,000. While the majority is west of Lake Baikal and consequently in commercial contact with Europe, when the war ceases the Russian government will resume its policy of encouraging the settlement of far eastern Siberia. This will call for the farm machinery, the fence building material, the iron, the steel, the clothes, the shoes, and the other articles required in a new and growing agricultural section.

And the mineral, the fur, the forests, the fisheries will create an enormous business, irrespective of agriculture. The trade from Manchuria, much of which is handled through Vladivostok, will also contribute to the total volume of commerce concentrating at that port. A study of the prospect appeals strongly to the practical imagination.

There is a prevalent idea that the traffic today moving from Seattle is almost solely munitions of war. An enumeration of commodities shows that this is not the case. The manifests each month indicate an increasing variety of things going to meet the needs of the civil

population. In some instances the quantity is very small, but it means the introduction of American goods where a demand for more will follow.

Of the \$21,000,000 worth of exports from Puget Sound to Siberia in the calendar year 1915, more than one-hundred and fifty items could be enumerated. These range from bread to typewriters, but among the larger are these:

COMMODITY.	VALUE.
Agricultural machinery	\$588,317
Binder twine	1,207,707
Cars for steam railways	1,705,470
Railway track and material	988,645
Car wheels	162,280
Autos and parts of	2,986,666
Cotton	5,306,826
Iron and steel	887,860
Mining machinery	33,248
Machinery, all other	324,585
Motor boats	159,833
Condensed milk	85,382
Typewriting machines	20,500

The early months of the current year record even a greater variety than 1915. In blazing this new trade route, the heavy tonnage of the present emergency serves as a pathfinder for the sewing machines, the shoes, the food staples, the electrical machinery, and the other things of American production that the people of Siberia will learn to use and to like. Since January first one shipment of woolen wearing apparel was forwarded worth more than \$2,500,000.

The big fleet now transporting goods from the Pacific Coast has taken full cargoes direct to Vladivostok, but has brought practically nothing from Asiatic Russia on the return to the United States. It has carried full cargoes on the eastbound voyages, but these have been obtained in Japan, China, and elsewhere throughout the Orient. One thousand tons of sugar beet seed grown in Russian Poland recently came from Vladivostok direct, but this is the most notable consignment from the Siberian port.

The ships that carried merchandise from Hamburg before the war, returned to Europe from Vladivostok with furs, metals, (such as gold, silver, and tin), and with other raw products which were manufactured in Germany and sold on the European market.

The enormous fur output of Siberia suggests large possibilities for American study and investigation. It

may present an opportunity to fix the world market for furs on this continent. The mineral deposits of the Russian possessions appear limitless in variety and extent. Application of American methods and enterprise will, when permitted, cause the output of gold and silver to challenge world wide attention. The forests, largely hardwood suitable for furniture making, may supplement the soft woods of the Pacific Northwest states in a manner contributing to the expansion and permanency of the woodworking industry. Iron exists on the Siberian coast although its value and quantity are not determined; if the deposits prove extensive and readily accessible, opportunity will be offered for heavy east bound tonnage valuable to the industries of the Pacific Coast. The streams may invite a duplication of the salmon canning industry of our own North Pacific region. Americans are equipped to outfit this industry since it is at present confined to our own country.

An idea of the radiation of trade from Vladivostok, in addition to that afforded by railroad facilities, is supplied in a memorandum furnished by the Consulate at Seattle. Twenty-one steamer trips a year are scheduled from Vladivostok to the Bering, Kamchatka and far north. There are sixteen steamer trips per season to the Sackalin and other ports. A round trip to the far north

consumes seventy days by steamer. Petropavlovski, at the lower end of Kamchatka, has an excellent harbor, free from ice the year round, and is a port of special importance in the north. Many rivers serve as arteries in aid of traffic throughout the interior. Siberia has more than 24,000,000 acres under cultivation devoted to wheat, barley, flax, potatoes, and oats. These random figures indicate the character and emphasize the magnitude of the country.

Seattle recognizes that the unusually heavy tonnage movement now in progress will diminish, and that the feverish rush to transport heavy cargoes across the Pacific to Vladivostok will give way to the building up of the normal trade already started. Ships that are today scarce and in such demand, may then be found to carry lumber of the Pacific Northwest to the Atlantic Coast, to Europe and to the other markets of the world. But while Alaska, the last "west" of this continent, stimulates the imagination when contemplating the part it is soon to play in the commercial future of the Pacific Coast and of the country as a whole, Siberia, the world's greatest remaining frontier, just across the way from Puget Sound, beckons to America and to Americans with a promise of commercial opportunity never before equalled outside the bounds of their own country.



Seattle Skyline from the Harbor

If I Were A Yankee Merchant

Three Distinguished South Americans Whose Business It Is to Know, Tell
What They Would Do

By SENOR MARIO L. GIL
Consulado General Del Uruguay

IF I were a Yankee merchant, desirous of entering the South American commercial field:

I would endeavor to have a thorough knowledge of the economic geography of South America. As a commercial agent of Uruguay suggested to a commercial congress in Washington, D. C.: "The phrase commonly used 'business with South America,' is of such a vague nature that it frequently misleads American merchants. This phrase cannot be applied commonly to the different countries of South America as the climate, production, business methods and administration of Venezuela, for instance, offer so little similarity with conditions in Chile, as those of Tunis or Egypt differ from those of Transvaal

or Natal, although these four latter countries are also located on one same continent."

I would select those of the countries (and not too many) which most appealed to the nature of my business. I would concentrate and intensify my efforts in those countries which, by nature of the productive industry and general needs, had the greatest use for my products. Through this intensified effort, none of my force or strength would be lost.

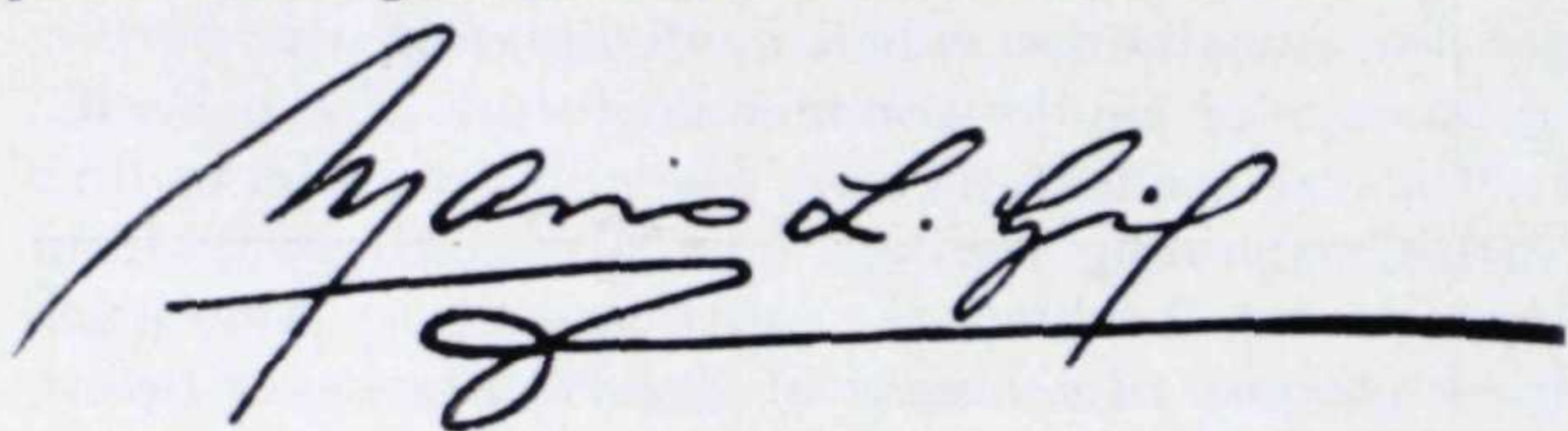
I would not try "to do business with South America," but build up my business with those countries which have appealed particularly to me. And I would not be content with single orders, but should strive for a renewal and extension of that business.

I would not forget that in order to build up a regular and profitable business I should make willingly and whole-

heartedly the necessary sacrifices involved in the proposition. By sacrifices, I mean that I would be content at the start with small profits and that I would invariably give the expected value for the money I receive. These suggestions are based on methods applied by my successful European competitors.

I would not indulge in the delusion that I am able to handle everything from the United States at the start of my new business.

I would go to South American countries myself; if this were not possible, I would send the right man to represent me. This man must not be the one who "knows all about South America" but one who knows all about his own business. If he talks Spanish, this would be a valuable asset; if he does not, he ought to have other qualifications and abilities to make up for his unfamiliarity with the Spanish language. And patience and good manners would do him no harm.



By SENOR DON IGNACIO CALDERON

Enviado Extraordinario y Ministro Plenipotenciario del Bolivia

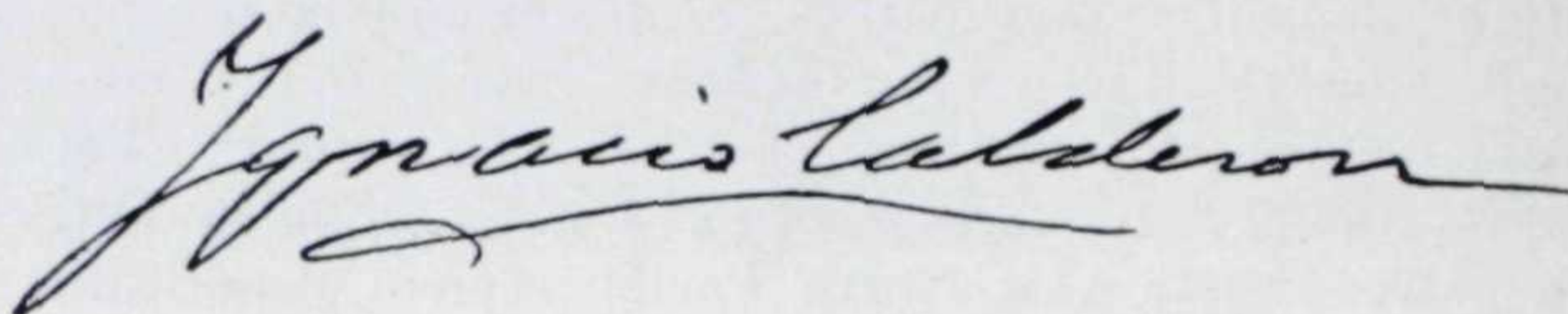
If I were a Yankee business man desirous of forming commercial connections with Bolivia, I would finance the completion of the gap in the Bolivian-Chilean-Argentine trans-continental railroad between Atocha and Tupiza, Bolivia, a distance of about 100 miles. The completion of this connecting link of this railroad system would mean to my country what the building of your own great trans-continental railroads meant to the United States. From a Pan-American standpoint the construction of this gap will mean the last link in 3,000 miles of the New York to Buenos Aires Pan-American railroad and will insure this magnificent railroad insofar as Bolivia, Chile and Argentina are concerned.

Already English capitalists have completed a portion of this railroad extending from Arica, on the northwest coast of Chile to La Paz and thence to Atocha. The Argentine government has constructed its portion of the line to LaQuica, on the Argentine-Bolivian international boundary, while the Bolivian government is now constructing the portion between LaQuica and Tupiza. All that remains to insure the complete use of this trans-South American railroad is the 100 mile gap between Atocha and Tupiza which the government of Bolivia is unable to finance at this time.

If I were a Yankee business man I would appreciate what the completion of this railroad means, not only from the standpoint of a direct line through Chile, Bolivia and Argentina from the Pacific to the Atlantic, but from the standpoint of the wonderful internal development of Bolivia, a nation that is one of the storehouses of the world's mineral wealth. Not only would this line develop the Bolivian mineral deposits but it would furnish to the world the vast Bolivian rubber forests, petroleum fields, its Quebracho trees,

from which dye stuffs can be made, and it would enable ranchmen to breed large herds of cattle on its plateaus.

If I were a Yankee business man I would readily see the unlimited possibilities in the construction of this short railroad and I would learn that the Bolivian government stands ready to make many favorable inducements to the man or men who will build this line; I would also realize that what Bolivia needs more than anything else is the development of railroads so that every section of the country can be developed and its unlimited resources made accessible to the world's markets.



By SENOR CARLOS ACUÑA

Secretario de la Embajada de la Republica Argentina

If I were a Yankee business man seeking to increase my business by opening new markets in Argentina:

My first step would be to visit the nearest consular representative of Argentina, and there familiarize myself absolutely with general conditions in the Argentine Republic and more especially in the business in which I am most directly interested. I would investigate market conditions and determine whether my product is suitable for use in Argentina and if not what should be done to adjust it to suit local conditions.

After exhausting this source of information and learning all that I can possibly learn at the consulate or the Embassy, as the case may be, I would arrange to visit Argentina and there personally study conditions and consult my prospective customers. In the meantime I would read Argentine history and I would become familiar with the geography of that country, and above all I would learn Spanish, the language of the Argentine nation, so that I could talk directly to my customer and without the embarrassing aid of an interpreter or third party.

If I succeeded in getting my customer interested I would take his advice with reference to making my goods acceptable for the Argentine market and not insist on forcing Argentinians to adjust themselves to a product that might be acceptable to the United States. Then I would follow up with a systematic modern advertising campaign.

In my efforts to establish trade in the Argentine Republic, I would always bear in mind that the business men there are as keen and as intelligent as any in any other part of the world; I would realize that they, too, use modern methods as I do. And after I had introduced my goods in the Argentine market if I should find it impossible to keep a permanent representative on the ground, as I would do in St. Louis, Kansas City or Chicago, for the middle Western and Southwestern trade, I would endeavor to have a representative visit my customers occasionally and keep in touch with the progress of my product, and would at all times employ such methods as I use in the United States to increase the demand for my goods.

If, however, I should find in the first place, that it is impossible for me to visit Argentina personally, I would

still get all information that I can from the various consulates or the Embassy, with a list of prospective customers. Then I would write to them in Spanish, send them a catalogue, also in Spanish, and a sample of my goods, so adjusted as to suit local conditions, and I would employ generally the same methods I use in opening a new market in the United States without first having visited the field in person.

Throughout my entire campaign, either in person or through the mails, I would employ always common-sense

business methods and would endeavor to satisfy my customer's demands and not give him something that he cannot dispose of. And I would always keep in mind that clean cut business methods, such as are employed in establishing new markets in the United States, will prove acceptable to the Argentina campaign.

Carlos Acuña

A Toast to the Americas

Senor H. E. José Luis Murature, Argentina's Minister of Foreign Affairs, Pledges Closer Bonds Between the Nations of the Western Hemisphere

IN bringing your labors to a close, after intense and earnest effort, I shall not ask you to exchange the melancholy "goodbye" of lengthy partings; far more in keeping with your situation is the easy and pleasant "au revoir" of temporary absences. Even though you are about to return home with the task for which you met accomplished, you will nevertheless continue to keep alive the ties formed and to further by action directed toward definite ends the task here begun of strengthening new bonds of solidarity among the peoples of this continent.



Senor Murature

A gathering such as this could not be productive of fruitful results were it to confine itself to the precipitate consideration and superficial study of hurried general deliberations. You have hardly had time to do more than trace the furrows and get together the seed. Your duty now will be to continue cultivating the land thus prepared so as to assure steady growth and an abundant harvest, worthy of the inspiring purpose of the Pan-American Financial Conferences.

Mark, gentlemen, that these synthetic expressions of international confraternity are daily becoming more frequent, daily more fruitful. They are being promoted among our peoples by a spontaneous tendency toward collective sentiment and are being stimulated by a proper conception of common interest. As our development advances, so the scope of our destiny grows wider, and we realize the need of multiplying, by reciprocal aid, the forces that drive us onward and upward. Our common ties have their roots in the very earliest days of our history. The peoples of America, those who have

MANY of the best judges of the world development believe that the historical feature of the early part of the twentieth century, outside of the great European conflict, will be the sturdy growth of sentiment for closer cooperation and confraternity between nations of the Western Hemisphere, expressed in the idea of Pan-Americanism.

It is frequently reported that the nations of Central and South America are extremely suspicious and jealous of the United States. From time to time, the utterances of irresponsible politicians in Central and South American countries are published in the United States and emphasis laid upon them which gives the impression that they represent the average sentiment.

The absurdity of this is apparent to all who really understand the feeling of our Southern neighbors and the high idealism to which they adhere, in their desire to work with the people of the United States in the further development of democratic institutions. This sincere desire for cooperation was recently expressed in enthusiastic terms on the occasion of the closing session of the International High Commission in Buenos Aires, by Honorable Jose Luis Murature, Minister of Foreign Affairs of the Argentine.

Senor Murature is one of the leading statesmen of the Republic. He was for many years editorial Director of *La Nacion* of Buenos Aires, a newspaper which is recognized, not only as a leader in South America, but in the first rank of journalistic leadership in the world. He is still interested in the direction of this great publication and is regarded as one of the ablest statesmen in South America.

Senor Murature's address on the occasion of a dinner given by him in the great central hall of the Argentine Congress, was enthusiastically applauded by the representatives of all of the Central and South American countries and commended by all of them as representing their sentiments.

reached the zenith of greatness no less than those who still struggle to overcome the obstacles of internal development, have all been guided at the outset by the same splendid ideal of liberty—and this beacon has not been extinguished for a single instant through more than a hundred years of national life. Whatever be today the degree of advancement of each nation along the road of progress, all can say with equal conviction as to the past and with equal faith in the future that however many the shortcomings, however frequent the slips, however costly and painful the initiation into independent life, the land of America records not one single irreparable

defection from the doctrine of democracy as preached by Washington, San Martin and Bolivar.

We have lived too long in a state of relative isolation, because the evolution of our national life has so absorbed us as to monopolize our every energy. But the time has come when with the normal functioning of our political organizations we see the need of coordinating purposes and uniting wills in order to impress upon our efforts the whole force of which a policy of fraternal understanding is capable. Pan Americanism was in its inception a cold, logical formula, which appeared on the continent as the exotic outcome of artificial combinations; later it became an undefined, cautious impulse toward a closer understanding among the nations, which while not succeeding in clearly fixing the standard of their relations with one another began to prove the identity of their aims and the analogy of means to attain them; and lastly, the consecration of a moral and material solidarity which found a spark of conviction in the mind and a sentiment of sympathy in the heart. The evolution of history, with its inflexible logic has marked each of these successive stages. Until recently each within his own confines was engaged in cutting the stone with which to contribute to the future upbuilding of our America; today we are beginning to combine our plans so that the result may be more harmonious, more lasting and more beautiful.

Destiny has endowed our continent with the gifts necessary to fulfill a great and noble mission in the cause of human progress. Our free life began at a time when civilization had already laid down its general lines, and we have been able to take advantage of the experience of others, undeterred by the fear of any of its hard lessons. We have not to reckon with the lasting antagonisms which tradition has imposed upon other nations, nor with the irreconcilable needs which their full development has aroused. But truth is not slow to convince us that we only parody the effect of the ills of others without being moved by any of their causes. Fraternity is not in America a mere idle word—all the factors and geography and history concur in making it a fact. And today more than ever there arises in the mind this reality: The contrast between the serene

harmony of America and the appalling struggle in Europe.

Let us take the example, gentlemen, and ponder on the value of its lessons. We should once more bow in respect and gratitude before those apostles of wisdom and glory, who in the day of their great convulsion recall the enormous price with which every conquest of human progress has been won. To Europe we owe our culture in every field of thought and action, and to Europe we still owe this lesson which now seems a fit of madness, but which may perchance contain the seed of all important reforms for the present day, for no one can conceive that the mother of Western civilization should suffer the pangs of such a labor if this cruel effort were not to be followed by a new birth! Let us at least learn to profit for ourselves and for humanity by the advantages which fate has placed in our hands. America is a propitious field in which the men of every portion of the earth may find the shelter of justice and the shield of freedom. Her lands are broad enough for every activity, for dormant wealth to grow, for every initiative to expand. The only effort to be put forth in the achievement of her destiny is the strengthening of the sentiment of peace and unity which sprang up as an offshoot of her historical development, and which is today the surest pledge for the future of the stability of her progress. And so, free from prejudice or antagonism, but united in the vision of a common ideal, all the nations—large and small—may be able to use their multifarious elements in collaborating toward a betterment in the organization of human societies and in proving with the immutable strength of a loyal and sincere fraternity that it is true that the Utopia of yesterday will be transformed into the reality of tomorrow!

Gentlemen: The Argentine Government has been particularly gratified at having had the honor of holding the second Pan American financial gathering in its capital and the pleasure of receiving so many distinguished men, summoned together to impress with their authority and their prestige the work for which they have gathered.

Gentlemen: I drink to the success of your labors, the prosperity of the countries you represent and to your personal happiness.

(Translated for THE NATION'S BUSINESS)

CHARLES LAMB ON CO-OPERATION

If those fleas had only pulled together,
they'd have pulled me clean out of bed

Blazing a New Foreign Trade Trail

Homer Edmiston, Secretary of the American Chamber of Commerce for Italy, Tells What One Overseas Member of the National Chamber is Doing in These War-times to Facilitate Business Relations with the United States

THE Great War and the American Chamber of Commerce for Italy found a place in the business spotlight at about the same time. In spite of the grave impediments to commerce created by the world conflict, the American business men resident in Milan felt the time had come for the establishment of an American Chamber of Commerce. American trade interests in Italy were already considerable.

Some unfortunately were in the hands of foreign agents—secretly in the employ of their governments or of business concerns in their own countries—who systematically worked against their employers. Italy's declaration of war against Austria, which also resulted in a rupture of diplomatic relations with Germany, proved a distinct advantage to the Italo-American commerce in general, and the new American Chamber of Commerce in Milan in particular. The immediate and necessary commercial result was that the multitude of Italian firms that had represented Austrian and German houses were forced to seek new connections. They naturally turned to the United States since the production of Italy's allies, France and Great Britain, had already been largely diminished.

It is not true, however, that they turned to us because there was nowhere else to go. Many of them already had their American relations. Besides the numerous American travelers that came to Italy every year, the large Italian emigration to the United States, the increasing numbers of Italians of the more prosperous class that went there for business purposes, had created with growing knowledge and intercourse, a real friendship between the two countries. Therefore the Chamber of Commerce, having its home in Italy's greatest industrial, commercial, and financial center, found its work waiting for it in that Italian importers and exporters were both compelled and disposed to seek American connections.

But the same condition of war has created for us grave difficulties. Italy's declaration of war, by causing the

withdrawal of many vessels from the mercantile service, contributed to raise the already exaggerated cost of ocean transportation, while Italy's necessity for purchasing supplies in the United States gave rise to an un-

precedented rate of exchange, in her disfavor, between the two countries.

Our work is to do everything we can to promote Italo-American trade in both directions. We are thus in constant correspondence with American and Italian chambers of commerce to learn what every market needs and what it can supply. If we hear of a firm in Italy that has or desires business relations with the United States, or of an American firm in search of an opening here, we tell what we think we can do for them.

In various ways we have found opportunities of buying for our members and correspondents. We publish special bulletins of which a feature is a list of offers made by

American firms for Italy or of goods to be sold in the Italian markets.

If offers do not come for goods in which our members are interested, we give them the names of American manufacturers taken from our card catalogues or our directories. Sometimes we write to our American correspondents asking them to put us in touch with companies that can supply the merchandise in question.

In the latter case, I might explain, we reserve the information that comes for the member who had made the inquiry. After he has availed himself of the data we place it on file so that others may profit by it. Nor should I omit to mention several instances in which we succeeded in settling disputes between American and Italian firms to the satisfaction of both parties.

It is our habit to throw out hints that our members have a particular claim on us. But this does not mean, for example, if an American firm asks us to be put in communication with Italian dealers, or vice versa, we give our inquirer only the names of our own members.



John F. Stucke
Vice-President



Homer Edmiston
Secretary



Chas. F. Hauss
President



Charles Civita
Treasurer



John H. Grout
Consulting Director

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RAILROAD EMPLOYEES who operate freight trains required about forty days from June 17 to vote whether or not they would increase the strategic position of their representatives in conferring with the railroad managers by authorizing them to call a strike if necessary. In the interval the men have held public meetings at many railroad centers, and in some cases have declared they will in any event perform all duties necessary for transportation of troops and military supplies. Instead of attempting to hold public meetings the railway's committee has published advertisements in many of the weekly papers, setting out figures about present wages and arguing for arbitration. According to the point of view of the railroads, of course, arbitration should be comprehensive enough to include the points the managers made in the series of conferences which extended from June 1 to June 15 as well as the demands of the men. One sympathetic commentator has said that "there has been concentrated in these conferences the epitome of the philosophy of the labor movement." On the other hand, the "Railway Age Gazette" declares that the men "while criticising the railroads' proposals for a settlement have offered no alternative plan but a strike unless their demands are granted in full." In another issue it says that "under present conditions a strike would be a crime without mitigating circumstances." The possibilities about a strike are likely to appear as soon as the second series of conferences opens.



ECONOMIC ALLIANCES are not self-executing and for effectiveness depend upon subsequent measures. The programme signed at Paris on June 17 by the fifteen countries constituting the Allies was no exception to the rule, and in fact bound no country, taking the form of resolutions of general principle to be submitted for approval to the several governments which were represented. As early as last November conditions in international trade after the war were discussed with the British government by the Association of British Chambers of Commerce. The Association subsequently took up with the one hundred twelve chambers of commerce in its membership concrete measures which might be considered as means for protecting and advancing British interests. At the end of January there was a largely attended meeting in the Guildhall at London, followed a month later by a meeting of the Association of Chambers of Commerce with some five hundred delegates in attendance. Ability

to produce in the British Empire as largely as might be possible all of its needs from its own soil and factories, a British ministry of commerce, improvement of the British consular service, and the establishment in England of a large credit bank to develop British foreign trade were items on a programme for which the delegates voted with practical unanimity.

Soon afterward there was an unofficial economic conference at Paris, with participants from most of the allied countries. The conference of June 14-17 was more official; the British delegates, for example, were the President of the Privy Council, the Colonial Minister, the Prime Minister of Canada, and the Prime Minister of Australia,—a delegation which in its personnel at once indicates the knitting together of the British Empire which is taking place and the non-diplomatic nature of meeting. The most immediately important resolution adopted by the conference deals with the "blacklist." It recommends that all fifteen countries prohibit persons residing in their territory from carrying on trade with persons resident in neutral countries if their business is "subject to enemy influence."

How to carry into effect concretely the general recommendations of the conference for protection of allied commercial interests after the war is a problem regarding which the British press has been making all manner of suggestions. One paper thinks the metric system will be a panacea. Another wants the merchant vessels of all the Allies pooled, and then apportioned out to the different countries. This latter procedure would scarcely redound to the advantage of England, and certainly would not be popular with British shipowners who are now contributing about fifty per cent of their profits to their government and who are set somewhat by the ears through the fact that the Australian Prime Minister, after taking a leading part in the Paris conference, announced as he was about to sail for home that he had bought for his government some fifteen cargo steamers with which Australia's difficulties about getting vessels to carry its grain to Europe are to be ameliorated. He paid about ninety-five dollars a ton for vessels averaging nine years old,—a total investment of nine or ten million dollars.

Formal consideration of ways in which England might follow the recommendations of the Paris conference is to be in the hands of a committee of representatives of the government, economists and business men, the personnel of which was announced on July 18 by Premier Asquith. Whatever the conclusions of this committee there will probably be much dissension in England, where there is already a considerable body of public opinion which opposes all plans involving departure from a policy of free trade. As a matter of fact, the Paris conference, after being called through the initiative of France, was repeatedly postponed, apparently because of the embarrassments incident to divided opinion in England.

James Bryce, now Lord Bryce, is among the members of the House of Lords who has advised caution about economic plans. Lord Bryce has joined with other public men in signing a statement which says, "We reject as wholly false and dishonest the idea that either the economic laws or the rules of arithmetic and common sense are altered by circumstances,—that trade after the war will be something quite different from what it was before, that henceforth bureaucracy and red tape will become good substitutes for the industrial energy and business ability by which our wealth and commerce have been built up in the past."

Taking an opposite point of view and supporting the Paris conference, the British Empire Producers' Association has been formed, and after the conference held a largely attended meeting in London. The first proposal of the Producers' Association has been that the United Kingdom establish a preferential tariff duty for sugar produced within the empire and raise capital to extend the sugar industry in the various colonies. What this proposal means is indicated to a degree by the fact that the present production of the empire seems to be about 880,000 tons whereas the consumption is 4,500,000 tons.



A BLACKLIST of a government is rather a new thing. The list of firms in the United States published by the British government on July 18 as concerns with whom British citizens are forbidden to transact business caused a sensation, not so much because of the identity of the firms but by reason of the principles involved. The existence of a blacklist had been known for some time, but it was used primarily to prevent certain firms from obtaining such concessions as permission to export goods from England and was not bulletined in public places.

The announcement of July 18 is presumably the final extension of a policy which began with a proclamation on August 5, 1914, in accordance with the law of war forbidding residents of the British empire from having any transactions with residents of the German empire. The complex relations of many American firms engaged in foreign trade led to a number of difficulties, especially in connection with outstanding documents, but these were largely arranged. About three weeks later the British Treasury announced that "there is, as a rule, no objection to British firms trading with German or Austrian firms established in neutral territory." On September 9, 1914, earlier proclamations were revised, but without any change in principle. Soon afterward fears arose that sugar originating in Germany and Austria was reaching England and special action was taken.

The scope of the early proclamations was first extended at the beginning of 1915, but with reference only to banking; persons in the United Kingdom were prohibited from

having business relations with banks anywhere if they were branches of banks in enemy territory. A month later the British Treasury explained that there was no purpose to interfere with bona fide commercial transactions simply on the ground that they might involve some financial operation which technically came within the meaning of "banking business."

The general extension came in June, 1915, when all British subjects were forbidden from having transactions with persons of "enemy nationality" who might be carrying on business in China, Siam, Persia, or Morocco. A "white list" of consignees in China to whom shipments might be made was also published. Immediately difficulties arose for American firms, since if goods originating in China had in their course to market acquired an "enemy taint" British steamers refused to carry them. The extension made last year in June has been successively broadened, especially in February, 1916, when in a proclamation a list of firms in Latin America, Scandinavia, Philippine Islands, Holland, and Spain, was printed and persons in the United Kingdom were ordered not to do business with them. This is the so-called "statutory list" and has since had some four additions. The list of firms blacklisted in the United States, published in London on July 18, makes the fifth addition. For any person in the United Kingdom to deal with the firms whose names are on the statutory list is a misdemeanor with penalties which may amount to penal servitude for seven years.



A MONEY MARKET,—in other words, opportunity for banks to buy commercial paper as a means of investing funds idle either for a few days or for a matter of weeks,—was one of the purposes of the Federal Reserve Act. To all appearances this purpose is gradually being attained. The acceptances and discounted paper held by the twelve Reserve Banks have now come to exceed one hundred million dollars, indicating the extent to which banks which had invested in commercial paper had turned to the Reserve Banks to realize on their holdings,—one of the important uses for which these "bankers' banks" exist.



AMERICAN SECURITIES are being sold by Europe to American investors, or being used as collateral for loans, at a rate approximating \$100,000,000 a month. In July successive steamers brought twenty and twenty-five million dollars in the stocks and bonds of American corporations. Between June and December of last year American railroad securities alone with a par value of \$480,000,000 came to the United States, leaving in European hands some two and a quarter billion dollars of similar securities. How many of these railroad stocks and bonds

have since come to the United States is now being ascertained. The total amount of capital which Europe had invested in the United States at the beginning of the European war has been estimated at six billion dollars. We have now probably repaid one-third, and in addition have lent a billion dollars on European government securities. The most recent loan has taken the form of obligations of an American corporation which in turn has taken the promise of the French government to pay in three years, secured by collateral which includes bonds of six neutral European governments and three Latin-American governments. That the liquidation of European investments in the United States has caused no disturbance here appears from the fact that between January 1 and June 30 of this year American investors purchased \$1,330,000,000 in new securities offered by American railroads and industries.



JAPAN'S FOREIGN TRADE, like the foreign trade of the United States, is showing a large excess of exports over imports. For the first six months of 1916 the value of Japanese exports is estimated by the Yokohama Chamber of Commerce at \$232,000,000, and the value of imports at \$190,000,000. According to present indications the value of Japanese exports in the calendar year will reach \$485,000,000,—a very respectable figure for a country only half-as large as California. The imports include large quantities of raw materials out of which munitions of war are made and the exports in turn show the completed munitions on their way to Russia. Conditions are encouraging the production of copper which has increased by at least twenty-five per cent. Refiners are even melting small Chinese coins, which contain fifty per cent of pure copper. The electrical machinery

industry is of course prosperous. Even with enlarged facilities one of the Japanese companies says it can fill only about one-fifth of the business it is offered. Having completed an order for six thousand electric fans it immediately got a new order for fifteen thousand. Three establishments are busily engaged making telephone apparatus for the Russian government.



CONTROL OF NEUTRAL VESSELS is being exercised by England through its power over stations around the world where steamers obtain bunker coal. The Marine Department of the British Board of Trade recently reiterated that "one of the conditions upon which the owners of neutral steamers can obtain facilities for the supply of bunker coal for their vessels is that they shall not sell or time-charter any of their vessels without the previous consent of His Majesty's Government." The Board of Trade thinks sub-charters have been used to evade its regulations and in effect requires that neutral vessel-owners insert in their charters a provision for approval by the British government as a condition precedent to sub-charters.



RAILROAD RATES to and from the Pacific Coast and western inland cities have been discussed at conferences held in Chicago by railway officials. On September 1 the rates are to be readjusted by direction of the Interstate Commerce Commission, which has found that the employment of vessels elsewhere is so profitable that none is carrying general freight through the Panama Canal between the eastern and western coasts. Consequently, at least for the time being, the commission says there is no competition by water to justify the rail-



Who Loses?

roads in continuing to have lower rates to and from the ports of the western coast than to and from the cities of the Rocky mountains. The railroads may attempt the readjustment either by increasing the rates applicable to western ports or by decreasing the rates of inland cities.



RAILROAD SUPERVISION by public authorities is to be examined anew in the United States by a joint committee of Congress which will undoubtedly soon settle down to its task, having only six months in which to complete its report. On July 14, the Canadian government announced the creation of a special committee for the purpose of inquiring into the railroad situation in Canada, with emphasis rather upon development and methods of operation, however, than upon governmental control. The members of the Canadian commission are Sir George Paish, who has recently been special financial advisor to the British Treasury, Sir Henry L. Drayton, chairman of the Canadian Railway Commission, and Mr. A. H. Smith, president of the New York Central.



THE PACIFIC MAIL is to reestablish its service from San Francisco to the Orient, at least tentatively. The company has purchased three vessels which have been on routes to the Caribbean sea. One of these vessels, the Ecuador, was on July 17 inspected at New York by invited guests. The Ecuador is 396 feet long, has improved life-saving equipment, and burns oil. Two of the former vessels of the Pacific Mail have recently gone through the Panama Canal to the Pacific under the Japanese flag, apparently for the purpose of engaging in the trans-Pacific service.



SHIPBUILDING bids fair to become once more a dominant American industry. In the first six months of 1916 some 192 vessels aggregating 228,000 gross tons were launched in the United States, and on July 1 American shipyards were building or had on order 385 steel merchant vessels, of which 159 will probably be launched before the end of the year. Thus, in 1916 American yards are expected to turn out 351 steel merchant vessels aggregating 672,000 gross tons. Other countries are busy, too. Japanese yards have contracts that will keep them engaged for two years, and are buying steel in the United States. Holland yards cannot complete existing contracts before the end of 1918, and are said to be receiving at current high prices contracts for some vessels which are not to be delivered until 1920. Norwegian yards are so busy that some Norwegian firms are having vessels built in

the United States, and even in China. Meanwhile, English yards which have had largely to devote their attention to construction of war vessels are looking ahead to renewed activity in merchant construction. Extensions are being made, new shipbuilding firms are being organized, and there are discussions not only about a Minister of Shipping in the British cabinet but talk of special organization of British shipbuilding and engineering to meet conditions when the war has closed.



AMERICAN SHIPS are again on all the oceans. The Department of Commerce reports that in the first five months of 1916 American steamers to the number of 196 sailed to over-seas destinations,—91 to South America, 81 to Europe, 11 to Asia, 7 to Africa, and 6 to the South Seas.



BUTTER PRODUCTION this year reached its annual "flush" on July 8, according to reports of the associated centralized creameries of the American Association of Creamery Butter Manufacturers. Upwards of three-quarters of a billion pounds will be made this year in the United States and its value will reach a quarter of a billion dollars. American butter in the last two years has increased its sale abroad by four-fold. Since January 1, 1916, five and a half million pounds have gone to the United Kingdom alone.



CONDENSED MILK is being produced in the United States on a scale larger than ever before,—in good measure because of demands of belligerent countries. One buying agent is reported to have arrived in New York in July with an order for 75,000 cases. European orders recently received are said to total five million cases, or seven thousand carloads. In two years prices have increased about 20 per cent. At the same time, of course, the prices of "raw materials,"—milk, sugar, and cans,—have likewise increased. In 1914 the value of condensed and evaporated milk produced in the United States was \$60,000,000,—an increase of 77 per cent in five years,—and the present production is probably well upward of a billion pounds a year.



METAL-MINING in the United States continues at full speed. In fact, activity in producing pig iron, lead, zinc, and copper has been even greater in the first six months of 1916 than in 1915. On July 22 the Geological Survey made public its figures for the value of all metallic products for 1915, —\$987,500,000, a gain in one year of 43 per

cent. Zinc increased by 224 per cent, copper by 59 per cent, and pig iron by 34 per cent. Although non-metallic products of mines did not in 1915 show the increased values of metallic products they are expected to advance in 1916.



THE NEW INCOME TAXES are still in the hands of Congress, as are the changes to be made in the law under which the taxes are levied. Commercial organizations will continue to be exempt from taxation but they will probably have to take part in collecting taxes on the salaries of their employees. Business men who have been prevented from deducting from gross income such losses as they sustained through investments not incidental to their principal interests will get some relief through being allowed to set off such "collateral" losses against collateral gains. For the moment, at any rate, American enterprises are not looking to Europe for capital. Nevertheless, provisions in the bill as it passed the House have caused the Investment Bankers Association to file a brief with the Senate committee in protest against taxation for non-resident aliens on the dividends and interest they receive from securities of American corporations. They make the point that such a tax will not only increase the cost of future capital obtained in Europe and lessen the amount available on any terms but be an influence toward complete liquidation in the American market of all the investments which heretofore have been made by European interests. Whether or not the present law taxes the income received by non-resident foreigners upon their American investments even the Treasury Department does not seem to be certain. At least, beginning in 1913, the Department held the tax did not accrue in the circumstances in question. Later, the Department said such income from dividends was taxable. In March of this year it took the same position regarding interest on bonds. As drawn the new bill apparently undertakes to put the matter beyond question, and in the affirmative.



THE NORTHWEST'S TIMBER in 1915 was distributed in all parts of the country except the Southern states. Of a total of 4,963 million feet which were sold, four per cent went to the North Atlantic seaboard states, thirty-seven per cent to the Middle West, ten per cent to the states of the Rocky mountains, twenty per cent to California, and twenty per cent to the states of origin,—Oregon and Washington. Almost six per cent went to foreign countries. On July 13, thirteen American sailing vessels, an American steamer, two British sailing vessels and a Norwegian sailing vessel were loading lumber on Puget Sound for foreign ports.

The Month In Congress

CALENDARS in the Houses of Congress are crowded. In the last few days of the session the Senate is likely to pass bills without much debate and legislation in the House will probably occur by "special rule,"—a device which at once advances important measures and prevents members who are disappointed about their own bills from refusing to join in the unanimous consent which at other times is the most important means the House has for facilitating its business.

ADJOURNMENT of the present session depends upon the programme of legislation which will be accepted as an irreducible minimum. About the programme there have been repeated conferences among majority Senators. At present, the bills which, in addition to the great supply bills for army and navy as well as for the Government's civil establishment, are to be enacted, are the bill regulating interstate commerce in goods produced by child labor, the shipping bill, and the omnibus bill.

CHILD LABOR is apparently to be dealt with under the power of Congress to regulate interstate commerce. A bill which has passed the House and been reported to the Senate has been pending on the calendar since April. Under penalties producers, manufacturers, and dealers are forbidden to ship in interstate commerce the products of mines or quarries where within thirty days they have employed persons under sixteen years of age or of factories where within such a period they have used, in the processes of manufacture, the services of persons less than fourteen years of age. For children of 14 to 16 in factories there is regulation of hours of labor, work days in a week, and night work. Canneries and cotton mills will apparently be most affected.

The constitutionality of such legislation has been much debated. On the point the Senate committee takes the position that the power of Congress to regulate interstate commerce includes authority to prohibit absolutely the shipment interstate of specified articles, so long as action is not arbitrary, capricious, or unreasonable in interference with private rights; the committee thinks the bill is not an unreasonable interference.

LITERACY as a test for acceptability of aliens who seek to come to the United States has repeatedly been adopted by Congress, but as often vetoed by the President. The literacy test is contained in a bill which as a result of eight years of study revises and codifies the immigration laws and which having passed the House is now ready for debate in the Senate. The general revision and codification are acceptable in practically all quarters, especially since Japan's request that her people should not be expressly designated in the prohibitions of the bill has been heeded, but the proposal to exclude persons who are sufficiently mature but

cannot read English or some other language or dialect continues in controversy. In the Senate there has been an inclination to let the immigration bill wait until next December. It now seems probable, however, that it will at least be debated immediately.

THE SHIPPING BILL, after being before several sessions of majority Senators in caucus, has come from committee in the Senate with some substantial amendments. According to these changes, there are to be no members of the Cabinet on the Shipping Board. In acquiring vessels the Government may not take any vessel likely to continue in the foreign or domestic commerce of the country, any vessel under the flag of a belligerent country, or any vessel which has depreciated more than twenty-five per cent.

Government operation, too, is restricted by the Senate committee. In fact, it would not become possible until, after bona fide efforts and public hearings, the Shipping Board had failed in efforts to find private interests that would run its vessels.

The regulatory powers of the Shipping Board are likewise diminished, being confined to those vessels which use the high seas or the Great Lakes. Ferrying, towing, transferring, and the like would not be subject to the Board.

Against foreign-built vessels being allowed to enter the coastwise trade there has been much opposition. As the bill now stands it would permit such vessels in the coastwise trade if they were being operated by the Board or if, having been acquired by the Board, they had been transferred to other persons.

THE OMNIBUS BILL, which carries new taxes, revises the income-tax law, places new duties on imports of coal-tar dyes, creates a tariff commission, and attempts to deal with some unfair methods of competition when practised by foreign manufacturers in American markets, has been before the Senate Committee on Finance for almost a month. As is usual in this committee, different parts have been assigned to subcommittees for analysis. Although these subcommittees have not had set hearings they have received briefs and in some instances have conferred with persons who oppose provisions of the bill. It is probable that when the bill is reported to the Senate it will be altered in a number of ways.

PUBLIC BUILDINGS and their sites have, in the last fourteen years, cost the United States \$163,000,000. Two years ago, while endeavoring to arrive at a settled policy to be followed by Congress in authorizing buildings, the Secretary of the Treasury and the Postmaster General disagreed. On July 17, however, a House committee reported a bill carrying thirty-odd million

dollars for new buildings and adopted as to the future some of the Secretary's conclusions. The committee recommends establishment of a Bureau of Public Buildings with a director who is not only a skilled architect but a man of good business ability and executive powers. In effect, standards are to be set for Federal buildings in towns of varying importance, and efforts made to have buildings constructed of suitable materials, not necessarily marble. This bill is among the measures brought forward for enactment at the session which will open in December.

WATER-POWERS on navigable streams and on the public lands of the West come within the control of Congress. Conditions for utilization of power on navigable streams have now been changed by both House and Senate, but in different ways, with a result that the final form of the bill is in the hands of conferees who may delay their report until the next session of Congress.

RAILROADS are considerably affected by the Clayton Act after October 15 of this year. They will then be forbidden to have any transactions involving more than fifty-thousand dollars with banks or other business houses with which they have directors or officers in common, unless there is a public invitation for bids and the most favorable bid is accepted.

The operation of these provisions the railroads are asking to have postponed. They have advocated delay before committees of Congress and before the President. Meanwhile, the Interstate Commerce Commission has been proceeding with a draft for the rules under which the competitive bidding stipulated by the Clayton Act would occur.

THE RAILROADS are interested in other measures. The resolutions for a joint committee to report next January upon changes that might be made in Federal regulation has been adopted and the members of the committee have been designated. It was settled toward the end of July that the Interstate Commerce Commission will fix the method and the rates by which the railways are paid by the Government for carrying the mails. A bill has been reported from committee in the House for the purpose of fixing a minimum distance by which trains are to clear, at the sides and at the top, bridges, tunnels, structures of any kind, and other trains. According to another bill upon which hearings have been held, the railroads will be barred at the end of ninety days from demanding additional freight charges from a shipper.

BANKS in the Federal Reserve System will soon be permitted to combine for the purpose of conducting a banking business in foreign countries. A bill which contains the necessary authority has reached such a stage that its enactment at this session is very likely.

Combinations and pools among steamship lines, under regulation by the Shipping Board, will also be permitted in the event

the Shipping bill becomes law. Approval or disapproval of the agreements by the Board will determine legality under the Sherman Act.

The more general bill which allows combinations for promotion of export trade and which follows not only the report adopted by the National Chamber early in 1915 but likewise recommendations made by the Federal Trade Commission in May, 1916, remains before the House Committee on the Judiciary, possibly awaiting publication by the Trade Commission of its detailed report concerning the conditions it found in foreign trade. This report may be ready about the second week in August.

The Bill in which the House proposed to legalize joint action in establishing branch banks abroad is being enlarged by the Senate to include a number of other amendments to the Federal Reserve Act. Domestic branch banks, discount of bills of exchange drawn against domestic shipments, increased power to lend on real estate, promotion of the use of dollar exchange in foreign countries, and authority for small country banks to act as insurance agents are important subjects added by the Senate.

ON JULY 18 the House felt that it had completed its tasks for the session, except for consideration of changes the Senate might make in its bills. Accordingly, the greater part of the members have since been in their districts, and the House has been meeting in a routine way at intervals of two or three days.

When the House found that its calendars were cleared of the appropriation bills, the omnibus revenue bill, and the shipping bill, the Senate still had to deal with the largest appropriation bills as well as other important measures. Consequently, while the House has in a way been on vacation, the Senate has been meeting as early as ten o'clock in the morning.

ANY IMPORTANT MEASURE that comes forward—probably when there is to be a decision about the naval programme that will be enacted, the House's one-year building programme providing for five battle cruisers or the Senate's three-year programme requiring construction of ten battleships and six battle cruisers as well as enough other war craft to bring the total to 157—will be a signal for a demand for a quorum in the House. A majority of the members will then return to Washington.

In the intervals between conference reports the House may then turn to its calendars. The bills among which the House will choose deal with such diverse subjects as measurement of vessels for assessment of tolls at the Panama Canal, Federal aid for vocational education in the States, comity among the States in recognizing one another's registration of automobiles, Federal censorship of motion pictures, designation of the time during which the Bureau of War Risk Insurance may operate beyond Sep-

tember 2, the size of baskets in which grapes may be shipped, and provision that if marks are placed upon packages of goods shipped interstate for the purpose of describing the nature or quantity of the contents these marks must be accurate.

Such a list of subjects of possible legislation is by no means complete. The House calendars for measure of general importance in one way or another contain more than one hundred fifty bills.

THE CUMMINS AMENDMENT has been important to many kinds of business that have occasion to ship goods of large value in small space. A bill is now pending which

so alters the Cummins Amendment as largely to prevent the inconvenience and double expense that now exist. The bill has been reported to the House in the form in which it passed the Senate. Amendment from the floor is unlikely. The probabilities are that the House will vote for the bill as it now stands and thus make it possible once more for shippers of valuable commodities of small bulk to have advantage of "released" rates by freight or express and to protect the principal value through insurance companies, thus getting protection even when the goods are not in the hands of the railroads.

The New Chamber of Commerce

WHEN William Allen White, the fat bard of Empory, Kansas, remarked recently that "the old order changeth," he was doubtless squinting through his office window at the sign

COMMERCIAL CLUB

across the street. For, although there have been many changes in the social and economic activities of American cities, none is more striking than that of the civic organization.

The chamber of commerce overnight, as it were, came into the realization of its latent powers and opportunities. The old-time commercial club, when it was anything more than a dead-beat Bertillon agency, circumscribed its duties by an annual banquet at which the mayor, the club's president, the leading citizen and three others responded to toasts. Perhaps during the year a convincing stranger showed the club that the city should have an artificial limb factory carrying a payroll of a million or so; in fact, the convincing stranger himself would build such a factory if the citizens of the town would show enough civic spirit to provide a site and a bonus. Whereupon members of the commercial club took off their coats, scooted hither and yon, and on the eve of the time limit set by the convincing stranger, presented him with fifty acres of land and a bag of money.

The factory was duly erected; one or two payrolls actually payrolled; then it was discovered that either there was no raw product for the factory within a thousand miles of its location or no demand for the product short of a thousand miles in the other direction.

But none of the old time hap-hazard, purposeless wildcatting for the present day chamber of commerce! Instead, it has found a score of constructive things to do and is daily concerned with the most economical methods of getting these things done. For example, a modern chamber establishes a foreign trade bureau; it brings

convention visitors to the city; it promotes and protects the interests of manufacturer, wholesaler and retailer; it fosters the school interests; it stimulates civic improvement; it works for a cleaner city, both physically and morally; it furnishes industrial information; it conducts surveys of the city's resources and limitations; it regulates charities; it maintains a traffic department; it makes trade extension trips, and all with the purpose of furthering the unified interests of its members. And the unified interests of the members equal the city itself.

Wide-awake secretaries, with vision and ability, have been found who devote their entire time to the problem of promoting a city's development. In the olden days the job was a side issue. Today the work is considered so important that many chambers are organized into bureaus with specialists employed to direct the work of individual bureaus.

One of the noticeable changes in the new organization is the manner in which individual clubs eliminate false steps; when a new policy is adopted, they avail themselves of the experience of other clubs. This is but adapting the methods of successful business to municipal business. For several years it has been necessary when a club started a new line of work to go in it blindly or write around to a greater or lesser number of neighboring clubs for their experiences. Within the year, commercial bodies have found that by writing to the Chamber of Commerce of the United States, they could obtain a digest of all these experiences. Of course, sometimes the Chamber had no information on a particular subject, but it set out at once to get this information, not only from neighboring chambers or a special class of chambers, but from all commercial organizations of the country.

To fall from the general to the specific, a chamber, for example, might decide that it wished to make an industrial survey of its community. It finds out in a short time what other commercial bodies have done in this line and with this data before

it, the secretary and directors are able to make many short cuts and avoid numerous pitfalls.

The historian of the future when he studies the life of the American community will do well to inspect the files of the Organization Service Bureau of the Chamber of Commerce of the United States for this period. For there he will find, carefully tabulated and cross-referenced the manifold aspirations of the American city. During the month of June, for instance, he would find that a hundred civic organizations were wrestling with a score of problems. The records would show that these cities had asked for information on:

- Industrial surveys.
- Trade extension excursions.
- Organization traffic bureaus.
- Home industry campaigns.
- Guarding against frauds.
- Clean-up campaigns.
- Federation of charities.
- Publicity funds for factory promotion.
- Americanization of the foreigner.
- Arbitration of business disputes.
- Buildings owned by organizations.
- Graduated rate of dues.
- Flat dues rate with plural memberships.
- Form of by-laws.
- Financing conventions.
- Credit bureaus.
- Community houses.
- Membership campaigns.
- Committee luncheons.
- Membership solicitors on salary or commission.

And within the last three weeks, questions have been put up to the National Chamber at Washington, that would do credit to an examination for a degree of omniscience in municipal affairs. One chamber wanted to know what had been the experience of others in building municipal auditoriums; another wanted to know what was the universal method of regulating billboards; another wanted to know what "city planning" was, anyway; and still another asked for a model set of by-laws. Other questions covered a wide range of subjects, as follows:

- Tree planting.
- Vacant lot gardening.
- Ornamental street lighting.
- Comfort stations.
- Garbage disposal.
- Regulation of street traffic.
- Convention bureaus.
- Dollar-day sales.
- Plural memberships.
- Employment bureaus.
- Home industry exhibits.
- Fire prevention.
- Fraudulent charity solicitations.
- Membership maintenance and increase.
- Traffic bureaus.
- Junior organizations.
- Programs of work.
- Consolidating organizations.
- Municipal research bureaus.
- Salesmanship courses.

The Organization Service Bureau of the Chamber distinctly disavows any claim of giving expert advice. It does, however, collect all of the available material on any subject and it is a digest of this material that goes out to the anxious inquirer. For example, where a chamber wanted to get information, and that quickly, on the pros and cons of consolidating organizations, it was informed that the tendency is to federate the commercial organizations of a city into one central body, creating departments or bureaus and providing in some instances for the formation of associations representing special interests. In such an event the central association leaves the branch organizations as much freedom as is practicable in relation to their special work.

The files of the National Chamber give up the information that in Indianapolis in 1912 the Commercial Club, the Trade Association, the Freight Bureau, the Adscript Club, and the Manufacturer's Association, formed a chamber of commerce, each original body maintaining a division in the federated club.

Likewise the Boston Chamber of Commerce was organized in 1909 through a consolidation with the Merchants Association which the year before had joined with the Board of Trade. Although the former chamber maintained a trade room or grain exchange, owned the building, and carried a large gratuity fund payable to members' families after death, nevertheless, these almost insurmountable obstacles were overcome and the combination effected. Nor did the membership decrease, as was predicted. The combined membership at the time of consolidation was 2693; in six months it jumped to 3645; a year later to 4501 and in 1912 had reached 4717.

These facts were sent to the inquiring chamber, and additional detailed reference to the amalgamation of the Progressive Association and Commercial Club of Mobile, Alabama, into a chamber of commerce in 1912, where again the change brought about an increased membership; from the combined roll of 550 at the time of consolidation to 1780 one year later.

So it is that the modern commercial club which is wrestling with the problem of amalgamation learns the experience of others and profits thereby. In connection with the reorganization of The Progressive Union of New Orleans into the Association of Commerce, the dues were raised from \$18 to \$20 a year and, notwithstanding this increase, a six weeks' campaign resulted in swelling the membership from 1300 to 3957 and the annual income from \$23,400 to \$98,925.

FROM the welter of causes leading to consolidation in various cities, the National Chamber sifts out the conclusion that where a number of community organizations are striving for the same end there is bound to be:

1. Energy wasted by duplication of effort.

2. High probability of working at cross purposes.

3. Funds wasted in maintenance of many organizations.

4. Lack of leadership and common purpose.

5. Confusion as to proper body to take up work.

6. Ill-feeling and jealousy.

7. Insufficient finances due to a scattering of available funds.

And by the same token, the Chamber learns—and passes its information on to the inquiring member—that the experience of all those who have united under one flag points to these self-evident advantages:

1. Conservation of energy.

2. Economy.

3. Common community purpose and endeavor.

4. Better leadership and direction.

5. Elimination rivalry and misunderstanding.

So armed with the experience of others, the secretary and directors are enabled to plan and administer more intelligently. True, such a course does away to a large extent with the conjecture and prophesy of failure so dear to the heart of a portion of American citizenry.

But the absence of acrimonious discussion, factless and endless, is only another evidence that the old order changeth.

HERE we have a secretary who has heard that progressive organizations are forming junior branches. He knows that there are a great number of enterprising, public-spirited youths in his community who would make a strong working adjunct to his chamber, if their enthusiasm and capabilities could have the proper direction. But he doesn't know just how to bring this cooperation about and naturally wonders how his colleagues turned the trick in their communities. So he turns to the National Chamber for the necessary information, and learns that there he may draw from the experiences of nearly fifty commercial bodies.

His plans begin to take shape when he is told that the Junior Board of Commerce of Knoxville, Tennessee, composed of youths of high school age, conducted a survey of

Individual Preparedness

LET each American citizen ask and answer, as regards himself, the question: "Am I commercially prepared to hold my own under any and all the various conditions which economists say will exist in the near future." And if the answer is not "Yes, I can compete with anyone everywhere," it behooves that American citizen to find out why, and to apply the remedy without delay; for in other countries the governments are taking just such action, whether the citizens like it or not.—*The Financier*.

the city market and its source and methods of supply and distribution.

In Kewaunee, Ill. the Superintendent of Schools aided in forming the Junior Civic Club, the aim of which is to beautify the city by a continuous clean-up vigilance, each member pledging himself to do his share by planting flowers and shrubbery, covering unsightly fences with vines, and keeping a well-ordered lawn around his own home.

The Junior Division of the Rome, N. Y. Chamber of Commerce is preparing for later responsibilities by studying the industrial development of the city, paying visits to various plants for that purpose. Speakers from the parent Chamber of Commerce have addressed them on banking, everyday law, advertising, salesmanship, merchandising, transportation and copper production.

"Training for Citizenship" is the slogan of the Winston-Salem, N. C., Juvenile Club, connected with the Board of Trade, and its members, boys of fourteen to eighteen, base their work upon a schedule carefully prepared by the senior organization.

The big question of accident prevention that every organization has to face is being worked out by the Rochester Chamber of Commerce through its Junior Safety Council. The Chamber contends that the large portion of injuries are to the young people and it put these same young people to work not only that they might guard their own safety but be watchful for the safety of others. Closely connected with safety first is the problem of fire hazards, and the Cincinnati Chamber of Commerce is reducing the danger of fire by using the school children in its annual clean-up campaigns. So thoroughly has this work been organized that detailed bulletins have been issued.

IT would be a poor secretary indeed who could not profit by these thought-provoking suggestions, and submit to his chamber a rock-ribbed, thirty-six-inches-to-the-yard plan to organize the youth of his community.

After all, this plan of a question-box clearing house seems so simple. One for all and all for one. Practical cooperation, scientific management, efficiency, all in one and for the price of a postage stamp.

Thus it is that the new commercial club is finding itself in the bigger possibilities for community promotion, and in more efficient methods of accomplishing its ideals.

Organization Articles

MANY inquiries on organization subjects have been received that have already been treated in articles in THE NATION'S BUSINESS. A reference to them may be helpful. They are, with dates of publications:

MEMBERSHIP AND DUES; November 1915.

USE AND VALUE OF MEMBERSHIP CHARTS; December 1915.

PROGRAMS OF WORK, COMMITTEES AND TIME BUDGETS; January 1916.

ADVISORY COMMITTEE TO ORGANIZATION SERVICE BUREAU; February 1916.

FIRE PREVENTION; March 1916.

CHART OF 402 ORGANIZATIONS, SHOWING MEMBERSHIP, INCOME AND DUES; April 1916.

ORGANIZATION STRUCTURE; May 1916.

MEMBERSHIP MAINTENANCE AND INCREASE; June 1916.

In selecting subjects for publication it is aimed to choose those of most general interest and this is determined by the inquiries received. Another element, however, enters into this, and that is the quality and quantity of information that it has been possible to obtain on the subject. The sources of information are answers to questionnaires, correspondence, special contributions and the study of organization documents. As the use made of the Bureau increases it is hoped that information

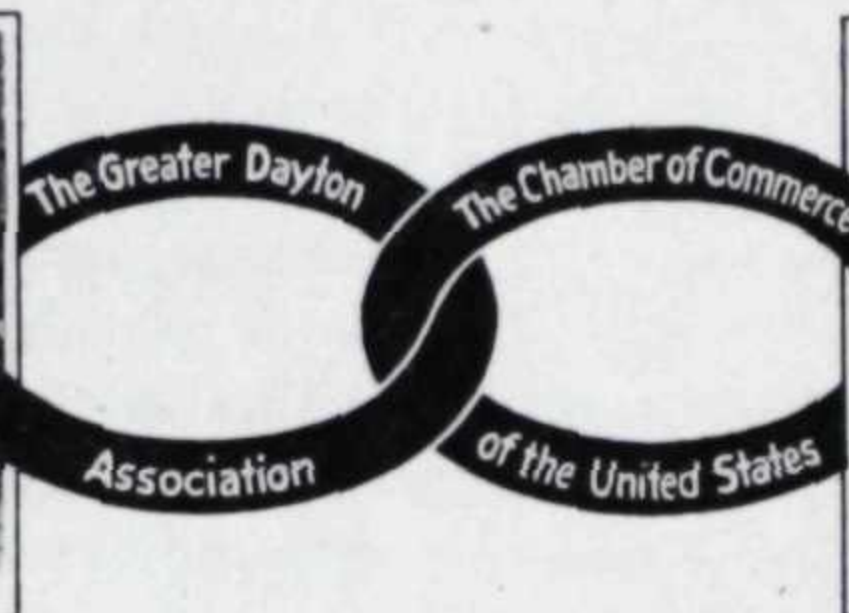
voluntarily contributed to the Bureau will also increase. Information received is filed in subject index and all the information on any subject is thus made available in answering inquiries relating thereto.

THE Greater Dayton Association of Dayton, Ohio, desiring to inform the public fully on the scope and value of its work to the community, prepared a series of ten full page advertisements which were run in all the local papers, covering a period of a month and a half. Incidentally, the papers were paid their regular rates for the space, which is as it should be. The series was divided to present forcibly the Association's different activities. The reproduction here of one of the advertisements told the people of Dayton what the Association is doing in national affairs through its membership in the Chamber of Commerce of the United States.

The Greater Dayton Association is Active in National Affairs



Dayton, Ohio



National Congress

In the past, Dayton interests had no effective medium for expression in National affairs. Now, through the G. D. A., Dayton has a voice in all of the big questions of the day.

This is through coöperation with 700 similar organizations in what is known as the Chamber of Commerce of the United States.

In addition to the G. D. A. membership, Dayton holds 35 individual or contributing memberships in the National Chamber. These are subscribed by business men who are especially interested in National affairs.

The National Chamber submits all important questions to a referendum, with arguments for and against. On every referendum, Dayton, through the G. D. A., has 10 votes, the same as New York or Chicago.

Here are 4 of the 16 questions already submitted for G. D. A. expression:

Referendum No. 13

Maintenance of Resale Prices

The G. D. A., after wrestling for a month with the contentions of the manufacturer for control of prices of his product and the arguments against price control, cast 6 votes in favor of the Stevens-Adhurst Bill and 4 against it.

To ascertain local sentiment and reach this decision, four committees held seven meetings, a meeting of the membership was held, and the Board of Directors also spent a session on it, a total of nine meetings.

The question presented one of the hardest problems of the day, one that affects seriously the manufacturer, wholesaler, retailer and the consumer, and, therefore, the cost of living in Dayton as elsewhere.

Referendum No. 15

National Defense

What more vital at this time than the issue of National Preparedness? This involves the honor of the Nation and the safety and welfare of every American citizen.

This question has just been passed upon by the G. D. A. after careful analysis and deliberation by a special committee made up of men and women all favorable to peace, but alive to the necessities of today.

Industrial mobilization, as well as military preparedness, was dealt with.

The G. D. A. cast 7 votes for and 3 against a radical increase in the national defense forces both on sea and land.

Referendum No. 14

Federal Aid for Vocational Education

The G. D. A. is deeply interested in everything pertaining to vocational training, especially on account of the progress already made in Dayton along that line.

Many of Dayton's leading manufacturing concerns are now co-operating with the school authorities to give boys and girls more than elementary training for business. In fact, they are being taught trades.

The contention of the G. D. A., through the National Chamber of Commerce, is that vocational training for trades should be given equal Federal recognition and support with agricultural training.

The G. D. A. cast its 10 votes accordingly.

Referendum No. 16

Railroad Situation

Shall the railroad engineers, firemen, conductors and trainmen, to the number of 250,000, be left to fight out differences with their employers that affect 100,000,000 people?

These differences pertain to working conditions, and apply to every railroad in the United States, 245,694 miles of line.

Shall we risk a tie-up of the traffic of the whole country, through the breaking off of negotiations between the two principals?

The National Chamber has submitted the vital points to the G. D. A. for an expression, and a splendid committee is working on this question.

Think what it means to Congress to have an intelligent and nation-wide expression on such subjects. In one instance Congress adopted, in whole or in part, 9 out of 11 recommendations made by the National Chamber. This was on the Currency Bill.

The National Chamber is working to take out of politics the many great economic questions that seriously affect business. It proposes to deal with them as business propositions.

The G. D. A., working with the National Chamber, maintains committees on Permanent Tariff, Federal Trade Commission, Merchant Marine, etc., to keep in constant touch with these things.

Think what it means to Dayton, its interests and its people to be closely and actively identified with legislation affecting all phases of business and citizenship.

The G. D. A. is working through the National Chamber for all of Dayton all the time.

This is the sixth of a series of talks about the G. D. A. For complete set or further details, address J. H. Guild, Executive Secretary

THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA

RIGGS BUILDING, WASHINGTON, D. C.

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THE Chamber of Commerce of the United States is a federation of the commercial organizations of the country; at the same time it is a league of business men. It had its inception in April, 1912, at a conference called by the President of the United States. Its organization membership consists of 790 commercial and trade associations, representing 330,000 firms and individuals, among which every State in the Union is represented, as well as the District of Columbia, Alaska, Porto Rico, Hawaii, the Philippines, and American chambers of commerce in foreign countries.

Its individual membership—limited to 5,000—now consists of 4,186 individuals, firms and corporations representing merchants, manufacturers, lawyers, bankers, railroad officials and other thoughtful business men of established position in all parts of the country.

THE keynote of the National Chamber is service to American business. Its function is not to establish a lobby or exert special influence, but, by the practical application of its democratic constitution, to express the needs of the nation's business. Its power rests altogether in its constituent elements for whom and by whom it exists.

THE administration of the Chamber divides itself clearly between the constructive work for advancement of American commerce carried on through committees, on the one side, and service to American business organizations, firms and individuals, carried on through the Washington headquarters, on the other. It cannot be too often re-iterated that the decision of all questions lies with the organization membership, not with the Board of Directors, which exercises powers that are supervisory and selective—supervisory over the administration of the Chamber and generally selective as to subjects to be considered and committees to be appointed.

This is why, no doubt, the President of the United States felt that he could say:

IT is very instructive and useful for the Government of the United States to have such means as you (the National Chamber) are ready to supply for getting a sort of consensus of opinion which proceeds from no particular quarter and originates with no particular interest. Information is the very foundation of all right action in legislation."

THERE is no influence in any community more potent and powerful for the accomplishment of good than that of the business and professional men unselfishly banded together for the purpose of promoting the general welfare of the entire citizenship.

—*James Bryce*